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Clinton's Cabinet Offers Something for Everybody, Mainly Sense of Purpose

By David S. Broder
Washington Post Service

WASHINGTON — Bill Clinton the Cabinetmaker turned out to be a lot like Bill Clinton the Campaigner. He put in something for almost everybody and he delivered the order just when it looked as if he might foul it up.

With his announcement of the final set of department heads, the president-elect hit his self-imposed Christmas deadline and honored his promise to have the "most diverse" top-level appointees in history.

The scramble to meet that goal produced a remarkable last-minute shuffle of people and jobs, demonstrating that for the first Democrat to win the White House in 12 years, the need to showcase the ethnic, racial and gender variety of his party overrode any ideological litmus tests, any concerns about internal policy cohesion and — with few exceptions — any claims based on political loyalty, interest group or geographical representation.

Mr. Clinton completed his cabinet nominations Thursday by picking Zoe Baird, 40, vice president and general counsel of Aetna Life & Casualty Co., to be attorney general, the first women to be chosen for the post; Mike Espy, a black congressman from Mississippi, secretary of agriculture, and Bruce Babbitt, 54, former governor of Arizona, secretary of the interior. He also named Federico Pena, 45, former mayor of Denver, transportation secretary; Mickey Kantor, 52, a Los Angeles lawyer who served as Mr. Clinton's campaign chairman, U.S. trade representative, and Dr. Joycelyn Elders, 59, a director of the Arkansas state health department, surgeon general.

Even partisan Republicans commended what Representative Vin Weber of Minnesota called the "intellectual firepower" of the men and women who survived the screening process in Little Rock, Arkansas. But several Clinton insiders said privately that they were concerned that the nominees suggest little about the direction of the Clinton administration except Mr. Clinton's intent to keep the policy reins firmly in his own hands.

"When I look at this cabinet," said a senior Clinton campaign strategist, who had no role in the selection process, "I have to conclude that he wants this to be a very personal and very powerful presidency."

The predominance of establishment-oriented and Washington-credentialed veterans on the economic and national security teams was attributed by Clinton aides to his desire to secure quick congressional passage of his domestic programs and his hope that he can enlist bipartisan support for his foreign and defense policies.

That hope may be realized. Alan Simpson, the Senate minority whip and a Wyoming Republican, for example, called Secretary of State-designate Warren M. Christopher "the very best man he could have picked for that job."

The rest of the cabinet slots were apportioned by Mr. Clinton, Vice President-elect Al Gore and a few others by a set of principles remarkably different from those of earlier Democratic presidents.

By the time Mr. Clinton had completed his senior appointments — his promise of "diversity" had been honored with the naming of four blacks, four women and two Hispanics to top posts — there was space at the table for few of the Democratic Leadership Council figures who spurred Mr. Clinton to campaign as "a different kind of Democrat."

"We have to hope," one of them said, "that the 'new-idea people' will get more from him in the next round of appointments."

Despite appearances, this is not a notably young cabinet. The average age is 51 — the same as Jimmy Carter's and four years older than John F. Kennedy's cabinet at the start of his presidency. But the average is a bit misleading, with Treasury Secretary-designate Lloyd M. Bentsen, 72, and Secretary of State-designate Warren M. Christopher, 67, in the group. Carol M. Browner, 37, Environmental Protection Agency administrator, and Mr. Espy, 39, are the babies of the group, and five others are forty-something contemporaries of Mr. Clinton and Mr. Gore.

Mr. Clinton appears to be following President Carter's pattern with the choice of well-respected, establishment figures for the Treasury, State and Defense posts in Mr. Bentsen, Mr. Christopher and Representative Les Aspin, chairman of the House Armed Services Committee.

Of the three senior cabinet members, only Mr. Aspin has the reputation of being a bold policy innovator, but all three are expected to smooth the way for Mr. Clinton in dealing with Congress. The same is expected of the Office of Management and Budget team

See CABINET, Page 3.



Aziz Taher/Reuters

A Palestinian deportee in the South Lebanon no-man's-land raising his hands during Muslim prayers as a second chilly week began.

A President Who Pardoned Himself?

By R.W. Apple Jr.
New York Times Service

WASHINGTON — As he begins to edge offstage, George Bush is taking a calculated gamble with his place in history.

Having spent a good deal of his energy in the last few days on grand global problems of the kind that have always engaged him, he has now ventured into the cockpit of domestic politics by pardoning six of the leading figures in the Iranian arms deal and the diversion of profits to Nicaraguan rebels.

He hopes to be remembered as the victor of Kuwait and as the man who, even in his hour of defeat, planned a humanitarian mission to Somalia, sought an end to the strife in Bosnia and pressed for reductions in nuclear weapons. But will he, in fact, be remembered instead as the president who in effect pardoned himself?

Mr. Bush served as vice president, of course, during the years when the arms-for-hostages deal developed. He has maintained ever since that he knew little about it — an assertion that has been shaken but never disproved. The trial of former Defense Secretary Caspar W. Weinberger, which was to have begun on Jan. 5, would have provided the most thorough public airing of the matter. By blocking that trial, Mr. Bush has vastly reduced his own exposure to damage from the affair, at least in the court of public opinion.

Besides Mr. Weinberger, the president pardoned Robert C. McFarlane, the former national security adviser, and Elliott Abrams, the former assistant secretary of state for Central America. Both Mr. McFarlane and Mr. Abrams had pleaded guilty to misdemeanor charges of withholding information from Congress about their knowledge of operations to support the contras.

NEWS ANALYSIS

The president also pardoned Clair E. George, the former head of the CIA's clandestine services, who was convicted earlier this month, at his second trial, of two felony charges of perjury and misleading Congress about both the contras and the Iran initiative — crimes for which he faced up to five years in prison and $250,000 in fines.

In addition, two other intelligence officials were granted clemency. One was Duane R. Clarridge, the former head of the CIA's European division, who was awaiting trial on charges that he misled congressional investigators about a missile shipment to Iran in November 1985.

The other was Alan D. Fiers Jr., once a rising CIA star, who had pleaded guilty in 1991 to withholding information about the contras from Congress and who later decided to cooperate with the prosecution, becoming Mr. George's chief accuser at both his trials.

The president's timing was impeccable, politically speaking. Few politicians were in their offices to comment, and the mighty engines of communication were all but shut down. Christmas Eve television draws one of the smallest audiences of the year, as do the Christmas morning papers.

But Mr. Bush is not yet home free. Lawrence E. Walsh, the independent counsel in the case,

See PARDON, Page 3

Israelis Bar Red Cross Aid For Stranded Palestinians

Cabinet's Vote on Issue Is Much Narrower Than Decision on Deportation

By David Hoffman
Washington Post Service

JERUSALEM — The government barred the Red Cross on Friday from sending a convoy of relief supplies to 415 exiled Palestinians just north of Israel's self-declared "security zone" in South Lebanon.

But Prime Minister Yitzhak Rabin's cabinet, voting on the issue at a hastily called afternoon meeting in Tel Aviv, was sharply divided. Foreign Minister Shimon Peres, two other Labor ministers and three from the leftist Meretz bloc broke with Mr. Rabin and voted to permit the Red Cross to help the deportees.

The Palestinians were forcibly deported last week by Israel, which said they were suspected members of the Islamic fundamentalist movements Hamas and Islamic Jihad. Officials from the International Committee of the Red Cross have said the deportees are growing short of water, food and medicine in a snowy hillside tent camp just north of the security zone.

Lebanon earlier refused to allow the Red Cross in, saying the exiles were the responsibility of Israel. Beirut appealed Friday to the United States to press Israel to admit the relief convoy. But Mr. Rabin ordered Israeli troops to bar the Red Cross and said Lebanon should take responsibility.

The Red Cross effort was "stemming from political reasons only" and "has nothing to do with humanitarian actions," he said.

The cabinet vote was 8 to 6 to prohibit the relief effort, with 2 abstentions. The close vote contrasted with the cabinet's near-unanimous decision last week to deport the Palestinians. That vote was 16-0, with 1 abstention.

Mr. Peres was said to have argued that permitting the relief convoy would mute the international criticism of Israel that followed the expulsion and the widely televised pictures of the deportees camping in frigid temperatures.

"The government has made a mistake," said Tourism Minister Uzi Baram, who voted to let the convoy through. "The expulsion would not have been weakened by making a humanitarian gesture."

But Housing and Construction Minister Benyamin Ben-Eliezer, who voted against allowing the convoy through, said: "We certainly believe that if the government of Lebanon can show concern about the situation of the deportees, they should allow the Red Cross to cross from all sides. The Lebanese government can allow the International Red Cross to go through their area. The government of Israel has taken a decision, we are determined not to change the situation."

Energy Minister Amnon Rubinstein, who voted to permit the Red Cross effort, said there was agreement among the ministers that the responsibility should be Lebanon's.

But, he added, "we thought from Israel's point of view," in Israel's best interests, the Red Cross convoy should be accepted.

Israel Radio reported that defense and security officials advised against allowing the Red Cross convoy to proceed. The exiled Palestinians are camped between the checkpoints of the Lebanese Army and the Israeli-sponsored South Lebanon Army, which controls a strip of Lebanese territory as a "security zone" for Israel.

The government originally planned to discuss the matter on Sunday, but Israel television reported the meeting was moved up because Mr. Rabin feared a confrontation with the Red Cross this weekend, and wanted to have a vote in the cabinet beforehand.

A parliament member, Abdel-Wahab Daroushe, was quoted by Reuters after the cabinet meeting as saying he had lodged an appeal with Israel's High Court against the government decision.



Mike Nelson/Agence France-Presse

Relief workers subduing a Somali in Bardera on Friday after he tried to steal a sack of wheat that had been delivered by U.S. Marines.

On the Road to Bardera, Hope As Relief Finally Gets Through

By Barton Gellman
Washington Post Service

UFUROW, Somalia — Abdi Hassan Aden, stooped but dignified at 60, stood agog in the shade of a Kuban tree. Not only was there traffic on the Bardera road, but two fearsomely loud machines were beating the skies.

"We have never seen such," he said through an interpreter, turning his gaze away from the Marine helicopter gunships. "We are afraid of these."

In fact, the Marines may have saved him. Since Oct. 16, the Bardera road has been closed by mines laid in Somalia's fratricidal struggle among the clans. Food continued to land safely at Bardera airport, about 40 kilometers (25 miles) away, but tiny villages like this one got none.

With the clearing of some of the mines Thursday and the arrival of a Marine combat team in Bardera, Ufurow stands at a crossroads of life and death. Many neighboring villages have already died. All along the road from Baidoa to here, broken grass-and-wattle huts stand abandoned.

Three times since the war-induced famines began, Mr. Aden has taken a cow to town in desperation and exchanged it with black market traders for a 110-pound (50-kilogram) sack of grain. It is a horrendous deal for the farmer, because a cow produces milk and other cows, while the grain sack will feed his wife and eight children for just 10 days.

"Those who have no cows have already

U.S. and French troops secure Hoddur, and find 5,000 mines around the town. Page 2.

died," he said. "Most of the others have gone from here."

Now there are only six cows left in the village, and two months before the next crop of sorghum can be reaped. The reddish sorghum kernals are the size of walnuts now; when ready they will be the size of fists.

"Those who live in the town have got everything, while we who live in the village have nothing," Mr. Aden said. "So we have gone to

See AGOG, Page 2

Kiosk

200,000 Berliners Hold Anti-Nazi Vigil

BERLIN (AP) — About 200,000 people carrying candles and torches lined the streets of Berlin on Friday evening in a Christmas vigil against neo-Nazis and other rightist extremists.

The demonstrators stretched about 8 kilometers (5 miles) across the city during the peaceful half-hour vigil.

Hundreds of thousands of people already had held similar candlelight vigils in Munich, Frankfurt and numerous other cities over the past several weeks. All were seeking an end to the four-month wave of rightist violence.

Business / Finance

Economic gloom appeared to be deepening in Japan. Page 7.

Venture capital is in Bill Clinton's economic spotlight. Page 11.

Money Report

Best earners for '93, hedging your fund investments, ski properties. Page 12-13.

Weather Page 16.
Crossword Page 16.

Europe's Single Market

At midnight Thursday, the 12 nations of the European Community officially become a single market free of tariff barriers and customs restrictions. In Monday's Trib a series of articles will examine what will change in the daily life of Europe and its visitors, from travel and taxes to shopping and finance.

Politically and Socially, Taipei Drifts Farther From Mainland

By Nicholas D. Kristof
New York Times Service

TAIPEI — The people of Taiwan might like to attach a huge outboard motor to the end of their island, rev it up, and move Taiwan several hundred miles farther away from the Chinese mainland.

That would reduce the risk of a Chinese attack and give Taiwan more options for deciding its future. But while physical relocation is impossible, there are signs that Taiwan is drifting politically and socially farther from the mainland.

The Kuomintang, or Nationalist Chinese government here, once spoke of "gloriously recovering the mainland," but it is now far from clear that Taiwan would take China back if it were offered.

Political candidates here issue furious denials when rivals accuse them of favoring rapid reunification. Even Taiwan's leaders seem to be trying to keep their options open by pushing reunification off into the distant future.

"We want eventual reunification, but not immediate reunification," said Ma Ying-jeou, vice-chairman of the government's Mainland Affairs Council.

Jason C. Hu, the chief government spokesman, seemed even more ambivalent when asked what Taiwan would do if the mainland government collapsed tomorrow and the people of China asked the Kuomintang to return. "That's an unfair question," he protested.

The stakes are enormous because Beijing repeatedly threatens to use its military to keep Taiwan from becoming a sovereign state.

Taiwan lies just 100 miles (160 kilometers) off the Chinese mainland. For four decades it has been the bastion of the Kuomintang forces that lost the Chinese civil war to the Communists.

These days, some dissidents want Taiwan to declare itself the independent Republic of Taiwan. But the opposition Democratic Progressive Party did unexpectedly poorly a year ago when it made independence a major issue, muting the calls for independence.

Paradoxically, at the same time there seems to be diminishing interest in reunification.

Tim T.Y. Ting, a poll taker in Taipei, said his most recent survey suggested that only about 15 percent of the public favors immediate independence.

That figure has been fairly stable for years, he said. But another survey found for the first time that less than half the public favors eventual reunification, seeming to prefer the status quo.

"When people think about reunification, they think: 'What's in it for us? You want to equalize incomes with the mainland?'" said Chang Liang, president of Shearson Global Financial Services in Taipei.

Another businessman, one with close links to government leaders, said: "We should go on telling Beijing that we want to reunify, even though in our hearts we don't mean it. As long as we don't give them a timetable — and we won't — then we can postpone the issue indefinitely."

Curiously, the diminishing enthusiasm for reunification comes as Taiwan is rapidly expanding its economic links with the mainland. Trade may reach $7 billion this year, up from $1 billion in 1986. One million Taiwanese visit the mainland each year.

Leaders in Beijing are anxious about Taiwan

See TAIWAN, Page 2

Relax! Life on Earth Should Last a While

By Malcolm W. Browne
New York Times Service

NEW YORK — Life on Earth may be doomed but not for at least a billion years, two scientists suggest.

This new estimate gives Earth's creatures a 10-fold increase in life expectancy over a span proposed earlier. The latest estimate, by Ken Caldeira, a geochemist, and James F. Kasting, an atmospheric scientist, both of Pennsylvania State University, is based on a complex mathematical representation of interactions in the environment.

For many reasons, scientists believe that life on Earth cannot survive indefinitely. For one thing, the sun, which is a common type of star, is expected to expand into a red giant, the outer shell of which will eventually engulf the orbit of the planet Mercury and roast the Earth. The Earth would then be burned clean of life in 5 billion years.

'With any luck, and with a billion years to play with, the human race would seem to have plenty of time to solve its problems.'

But many scientists believe that by that time life will long since have disappeared for other reasons.

The mathematical model developed by Mr. Caldeira and Mr. Kasting, which is described in an article in the current British journal Nature, supports earlier predictions that the Earth may meet its doom through a precipitous decline in atmospheric carbon dioxide. That would starve plants of their main chemical building blocks and destroy the planet's food chain.

The idea, proposed a decade ago by a British environmental scientist, James E. Lovelock, and his colleague, M. Whitfield, is based on the belief that as the sun becomes more luminous, Earth will gradually heat up. Solar heating will enable Earth's silicate rocks to react much more readily with atmospheric carbon dioxide, thereby removing carbon dioxide from the air.

Although this process would slow the greenhouse warming of the Earth, it would also rob plants of the raw material they use to photosynthesize carbohydrates.

Mr. Lovelock predicted that within 100 million years Earth would run out of food and become a lifeless planetary mausoleum.

In the next phase, solar heating would eventually prevail, vaporizing the planet's water, splitting water molecules into oxygen and hydrogen and hurling the hydrogen into space.

The global loss of water would then destroy the ability of silicate rocks to remove carbon dioxide from the atmosphere, and when volcanoes erupted, they would soon inject enough fresh carbon dioxide into the atmosphere to initiate a new runaway greenhouse effect. The Earth would soon resemble searing Venus, with temperatures high enough to melt many metals.

Where Mr. Caldeira and Mr. Kasting part company with Mr. Lovelock is in their estimate of the rate of change in the decline of the greenhouse effect. In their model, the Penn State scientists calculate that despite the increasing heat of the sun, the temperature of the atmosphere is likely to remain fairly constant for 900 million years, because the warmed rocks will take carbon dioxide from the air and reduce the greenhouse effect.

Moreover, Mr. Kasting said, Mr. Lovelock overlooked another factor that could greatly prolong terrestrial life.

Mr. Lovelock's assumptions were based on older forms of plant life that generally require a level of carbon dioxide in the air of at least 150 parts per million.

The Lovelock model predicts that atmospheric carbon dioxide will fall to that level in 100 million years, dooming all life. But Mr. Kasting noted that another, more highly evolved class of plants, including corn and many grasses, absorbs carbon dioxide in a different mode, requiring levels of less than 10 parts per million.

Corn is able to get along on much leaner diets of carbon dioxide than many other plants because its cells can pressurize and thereby concentrate carbon dioxide.

Of course, Mr. Kasting said, various unpredictable catastrophes could snuff out terrestrial life much sooner than carbon dioxide starvation. Among them, he said, would be an impact with some huge extraterrestrial body, such as the comet Chiron, which has a diameter of 150 miles (240 kilometers).

He discounted a suggestion from some theorists that a nearby supernova explosion might exterminate life, because the Earth is not in a region of the galaxy where supernovas often occur.

"You never know what might happen," he said. "But with any luck, and with a billion years to play with, the human race would seem to have plenty of time to solve its problems."

Brewing Religious Upheaval Alarms Jakarta Government

By William Branigin
Washington Post Service

JAKARTA — Religious strife in the world's largest Muslim nation has alarmed President Suharto's government as he prepares for his sixth and possibly final term in office.

The government has sought to squelch reporting of the incidents in the Indonesian press and appears to have brought the turmoil under control. But concern over the potential for violence from religious upheaval remains high in this archipelago of 184 million people.

Crowds of radical Muslims, reacting to what they charge is excessive proselytizing by Christians, have attacked or burned several Christian churches or homes on Java and Sumatra in the last month, according to religious authorities.

Helping to inflame passions have been videotapes about Serbian atrocities against Muslims in Bosnia, tracts purporting to detail plans to "Christianize" Indonesia, and student brawls that have taken on religious overtones.

In the biggest reported incident, more than 10,000 activists tore down and burned the home and church of a self-styled Pentecostal preacher outside Pasuruan, East Java, on Nov. 15, to protest anti-Islamic tracts he had allegedly distributed.

According to Abdurrahman Wahid, the head of Indonesia's largest Muslim organization, the Nahdlatul Ulama, at least 30 attacks on churches or other Christian property have been reported in the last three months.

Mr. Wahid, a moderate who favors greater democracy in Indonesia, blamed the incidents on radical "right-wing Muslims" who he said have been encouraged by Mr. Suharto's efforts to win favor with Islamic groups.

"They have taken advantage of the situation now that the president needs the support of all Islamic movements," Mr. Wahid said, "because he would like to have a smooth last term of office starting in 1993."

Although Mr. Suharto has vigorously promoted a nondenominational philosophy called *Pancasila* since becoming president in 1968, he has stressed his Muslim roots in recent years and courted Islamic groups. Observers see his efforts as aimed primarily at creating a political counterweight to the Indonesian armed forces and co-opting a potentially powerful vehicle for antigovernment passions.

With political groups and news media under tight constraint, Islam is seen as the main outlet for opposition sentiment in Indonesia. Previous opposition activity by radical Muslims has been crushed.

With nearly 13,700 islands and 300 distinct linguistic groups, Indonesia, the world's largest archipelago and fourth most populous nation, sees itself as susceptible to ethnic division, and religion is another volatile element.

Up to 87 percent of Indonesia's population is Muslim, with Christians accounting for about 10 percent. Hindus and Buddhists make up the rest. However, Mr. Wahid, whose Nahdlatul Ulama group counts as many as 30 million followers, said that "real" practicing Muslims account for "at most" 40 percent of the population.

Many of the rest, including Mr. Suharto, also adhere to pre-Islamic beliefs based in Javanese mysticism, he said.

In a speech to a conference of Buddhists earlier this month, Mr. Suharto warned Indonesians not to let religious fervor get out of control.

The military commander of Jakarta, Major General Harseno, urged Muslim leaders to "help us calm down the students" and suppress "rumors that may incite religious frictions." He made the appeal after police arrested 75 high school students who had been planning to attack a Roman Catholic school in the capital because of rumors, later proven false, that a student had burned a Koran.

Likewise, some leaflets purporting to outline Christian leaders' secret plans to promote their faith at the expense of Islam appeared to be forgeries aimed at stirring up Muslims.

It is unclear who was behind the tracts, but Mr. Suharto and his generals viewed them as dangerous and indicated a readiness to crack down on militant Muslims who seek to create confrontations.

Mr. Suharto, 71, is scheduled to be re-elected by a government-controlled assembly in March.

WORLD BRIEFS

Iran Warns Gulf Council on 3 Isles

TEHRAN (Reuters) — President Hashemi Rafsanjani, pressing Iran's claim to three disputed Gulf islands, said Friday that Gulf Arab states would have to "cross a sea of blood" to reach them. But he also invited governments of Arab states in the region to talks in Tehran to settle the dispute.

"Iran is surely stronger than the likes of you," he said in a sermon at Tehran University. "To reach these islands one has to cross a sea of blood." He was responding to a demand from the six-nation Gulf Cooperation Council that Iran reverse what they see as annexation of Abu Musa Island and also pull out of Greater Tunb and Lesser Tunb. Iran says the islands have historically belonged to it.

The council — which comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates — made the demand at a summit meeting in Abu Dhabi last week. "We sent a delegation," Mr. Rafsanjani said, referring to negotiations in Abu Dhabi that collapsed in October. "Now you come here, any time you want. Let's see what you have to say. Let's cooperate on issues before the Islamic world."

French Split on Reappointing Tapie

PARIS (Reuters) — Leading members of the governing Socialist Party have sharply criticized a decision by Prime Minister Pierre Bérégovoy of France to reappoint Bernard Tapie, a millionaire who controls the Adidas sports equipment company, to the cabinet.

"Surely Pierre Bérégovoy knew such a decision would go against the feelings and convictions of many Socialists including myself," said the president of the National Assembly, Henri Emmanuelli.

Mr. Tapie, 49, is among France's most popular politicians. His reappointment Thursday as minister for urban affairs was widely seen as an attempt by the Socialists, whose popularity is near an all-time low, to gain support ahead of general elections in March. Mr. Tapie resigned from the urban affairs post in May after being charged with fraud. The case was dropped in November after a former business associate withdrew his complaint against Mr. Tapie.

Indian Police Arrest 3,000 Militants

LUCKNOW, India (Reuters) — Indian police arrested more than 3,000 Hindu militants Friday as they threatened to march to a shrine in the northern town of Ayodhya, built on the site of a mosque destroyed by Hindu militants earlier this month.

The destruction of the mosque on Dec. 6 and the building of a makeshift temple there triggered a wave of Hindu-Muslim rioting in which at least 1,200 people were killed across India.

The authorities in Lucknow, the capital of Uttar Pradesh state, said that 234 people had been arrested near the disputed site, and 2,855 in the nearby town of Faizabad. Paramilitary police have guarded the site since ejecting the Hindu militants on Dec. 8. Entry is banned.

Russia to Stay on Economic Course

MOSCOW (AP) — Boris Fyodorov, Russia's new economic strategy chief, said Friday that he planned to follow the course of free-market changes set by the previous government and did not intend to devise new economic programs.

"I begin my work in the cabinet with calm and definitely not pessimistic feelings," the deputy prime minister told the press agency Itar-Tass. He said that instead of working out new anti-crisis plans, the government should follow the general course of the former acting prime minister, Yegor T. Gaidar, the architect of economic reform.

40 Soldiers Slain in Tamil Ambush

COLOMBO (Reuters) — Tamil guerrillas fighting for a separate state in northern and eastern Sri Lanka killed 40 soldiers in an ambush and are believed to have lost up to 30 of their own fighters, military sources said on Friday.

A major of the Liberation Tigers of Tamil Eelam was among the rebels killed in nearly two hours of fighting on Thursday in the northeastern area, they said.

For the Record

Some 200 homeless men, women and children occupied the lobby of the George V, a swanky Paris hotel on Christmas Day, staging a symbolic protest for housing in this high-rent capital. *(AP)*

TRAVEL UPDATE

IRA Has Made Itself Felt in London

LONDON (WP) — This year's campaign by the Irish Republican Army to disrupt London during the holiday season has been the most extensive in years. The series of threats and bombings has prompted the authorities to take the unusual step of setting up armed roadblocks.

In a country where most police do not carry weapons, assigning riflebearing officers to make random searches is a major step. Although the roadblocks so far have netted scores of drug offenders but no terrorists, the police believe the tactic is sound.

Perhaps the biggest impact on most Londoners has come from the hundreds of bomb threats against the Underground, the city's subway system. Through the beginning of December, the Underground has been the target of more than 1,600 bomb threats this year, or almost five a day, transit officials said.

President Hosni Mubarak of Egypt visited with foreign tourists at the ancient ruins of Luxor in an effort to show the government's concern following recent attacks on tourists by fundamentalist Muslims. *(NYT)*

TAIWAN: *Drifting Away*

(Continued from page 1)

in part because the Kuomintang refugees from mainland China who used to rule Taiwan are gradually being replaced by native Taiwanese. Legislative elections held last week may accelerate the process. The Nationalists did poorly, winning just 53 percent of the vote.

The new generation of Taiwan-born leaders, including President Lee Teng-hui, is often considered more sympathetic to eventual independence than the mainland emigres were.

Mr. Lee insists that he favors reunification, but just a few days ago he raised eyebrows by seeming to back away from the expression "one China." Mr. Lee said that Chiang Kai-shek had never referred to "one China" but simply to the "Republic of China," the official name of the government here.

"You can see what Lee Teng-hui thinks in his heart," said Antonio C.N. Chiang, a magazine publisher. "He wants to sustain the separation with the mainland, because that's the reality." He added: "Reunification is the state religion here. But ordinary folks are atheists."



Yeh Tao-chuan/Agence France-Presse

Opposition deputies displaying their message on banners Friday in Taipei at the start of a 20-day session of the electoral college.

UN General Is Targeted In Bosnia

By Peter Maass
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — The commander of United Nations forces in Bosnia said Friday that his residence had been shelled, probably by Bosnian government soldiers, and that he had been "targeted directly."

Major General Philippe Morillon said several mortar shells were fired Friday morning from government-held areas in Sarajevo and exploded within a few yards of his sandbagged residence.

The attack did not wound him or Lieutenant General Satish Nambiar, the UN commander for former Yugoslavia, who was visiting him. A similar attack occurred Thursday morning, General Morillon said.

"It's clear that I have been targeted directly," General Morillon said. "It was certainly to kill."

At a news conference, the two generals gave one of the glummest assessments yet of prospects for Bosnia-Herzegovina. Their remarks suggested that they believed the West had acted too late in Bosnia, that little could be done now and that efforts should be made to avoid future mistakes.

"The actions that were taken were not the right ones," General Nambiar said. "They should have been more effective. But that's history." He added that UN action in future conflicts like the one in Bosnia-Herzegovina "has to be taken in a preventative form rather than waiting for a disaster to happen."

General Nambiar again stressed his belief — disputed by some of his own officers — that Western military intervention in Bosnia would be a bad idea.

He said that intervention might bring the end of UN relief operations and escalate battlefield casualties, not only in Bosnia but perhaps in other parts of what was once Yugoslavia.

Serbian aggression in Bosnia has prompted the United States and other Western powers to consider enforcing the UN-mandated air exclusion zone over Bosnia. Serbian helicopters and warplanes have made hundreds of flights despite the ban, according to the United Nations, which is weighing a U.S. initiative to authorize the shooting down of offending aircraft or the bombing of their airfields.

But General Nambiar said that military intervention of any sort would jeopardize his troops.

■ Milosevic Wins, Officially

Serbia's president, Slobodan Milosevic, has won last Sunday's presidential elections, according to official results released Friday by the Serbian Electoral Commission, Agence France-Press reported from Belgrade. Mr. Milosevic got 56.32 percent of votes, against 34.02 percent for his main rival, Milan Panic, the Yugoslav federal prime minister, in a vote that international observers say was marred by irregularities.

No Obstacles to Arms Pact, Moscow Says

Compiled by Our Staff From Dispatches

MOSCOW — The Foreign Ministry said Friday that there were no major obstacles to signing a major nuclear-weapons reduction treaty but dismissed reports that a date and place for signing the pact had been agreed to by Presidents Boris N. Yeltsin and George Bush.

Foreign Minister Andrei V. Kozyrev and Defense Minister Pavel S. Grachev are to be in Geneva on Saturday for talks on the treaty, known as START-2, with Secretary of State Lawrence S. Eagleburger.

A Foreign Ministry spokesman said the Geneva meeting was part of an effort by both countries to complete work on the treaty, which would abolish all land-based multiple-warhead missiles and cut the two nations' nuclear arsenals by about two-thirds.

"I do not think there are any obstacles," the spokesman said. "The sides are unanimous on things that really matter."

He dismissed a report from the news agency Interfax that the treaty was ready to be signed by the two presidents at a meeting Jan. 2 and 3 in the Black Sea town of Sochi.

The State Department said Mr. Eagleburger would arrive in Geneva on Sunday and had scheduled two days for talks that could pave the way for a summit meeting. The White House also said there was no final agreement on the treaty.

Both presidents are eager to complete the treaty before Mr. Bush leaves office Jan. 20.

Mr. Eagleburger met Mr. Kozyrev in Stockholm two weeks ago; since then, lower-level negotiations have further reduced remaining disagreements. But in the latest round of talks, which ended Thursday in Geneva, negotiators were unable to resolve outstanding issues. A U.S. team that met with Russian counterparts on final details of the treaty returned home without closing gaps.

Mr. Bush, briefed by his negotiators, discussed the treaty by telephone with Mr. Yeltsin for about 20 minutes late Thursday. The two leaders have spoken several times about the negotiations.

Mr. Eagleburger and Mr. Kozyrev also have spoken by telephone almost every day this week, trying to wind up the negotiations, the State Department said.

Negotiations in recent weeks have centered on three issues, described by both sides as technical. The most contentious has been Russia's desire not to destroy silos used for its giant SS-18 missiles, but to preserve the silos for other uses. Other issues involve Russia's plans to reduce the number of warheads on SS-19 missiles and its demand for restrictions on U.S. bombers as they are converted from nuclear to nonnuclear armaments. *(AP, Reuters, WP)*

Spy Operations Cut in 1992, Russia Asserts

Agence France-Presse

MOSCOW — Russia cut its spy force in 1992, a spokeswoman for foreign intelligence operations was quoted as saying Friday by the newspaper Izvestia.

Thirty secret-service bureaus abroad were closed, Tatiana Samoilis said, which left almost none in Africa and Southeast Asia.

In Moscow, she said, headquarters staff has been reduced between 30 percent and 40 percent.

Yevgeni M. Primakov, chief of foreign intelligence, told a British newspaper in September that he had closed bureaus and halted operations in many countries because of budget cuts.

Hijacked by Belgrade, Independent TV Says

United Press International

BELGRADE — Armed men hijacked more than $200,000 in U.S.-donated equipment intended to allow Belgrade's independent Studio B Television to compete with state-run television, the mainstay of President Slobodan Milosevic's regime, the station announced Friday.

The hijackers also kidnapped and drugged the drivers of the five trucks that carried the equipment, *the station said. The drivers* were released late Thursday after spending four days in a basement in a town about 30 kilometers (20 miles) north of Belgrade, it said.

News of the hijacking coincided with an announcement on Belgrade television that citizens from the province where the hijacking took place had "donated a substantial quantity of technical equipment" to the broadcasting outlet of the self-declared Serbian state in Bosnia-Herzegovina.

"It was not an ordinary robbery," Studio B's general manager, Dragan Kojadinovic, said. "We should expect more of this kind of pressure. It was politically motivated."

The stolen equipment was donated by the U.S.-based International Media Fund, a New York foundation that supports the development of independent media, and was worth $238,000, Mr. Kojadinovic said. He added that the goods were part of a shipment of gear intended to allow Studio B to offer an alternative to state-run television. Mr. Milosevic has long relied on TV to fan the Serbian nationalist fever that has sustained his power base.

Pakistan Said to Seek Tanks

Agence France-Presse

ISLAMABAD, Pakistan — Pakistan will buy 320 Polish T-72 tanks for $450 million, sources quoted by the press here said Friday. No official confirmation could be obtained.

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TEAM - S

Somalia Force Finds 5,000 Mines

French and U.S. Troops Secure Inland Town of Hoddur

Compiled by Our Staff From Dispatches

MOGADISHU, Somalia — French and U.S. troops secured the inland town of Hoddur on Friday and began the task of clearing thousands of mines laid by rival warlords.

The town was the sixth to be taken by the U.S.-led military coalition. The 350 French Foreign Legionnaires and 250 Marines secured Hoddur's dirt airstrip and swept through the town of about 30,000. As in each previous deployment, no shots were fired.

A U.S. Marine spokesman, briefing reporters in Mogadishu, said the French-American team had found an estimated 5,000 anti-tank and anti-personnel mines on roads and paths around the town, about 300 kilometers (185 miles) northwest of Mogadishu.

"Their main task today is to get a handle on the mine situation and clear the airport" for the resumption of aid flights, said the spokesman Eric Carlson, a Marine chief warrant officer.

He said no mines had been found on the airstrip.

Hoddur has been less affected than most towns in central and southern Somalia by a famine that has killed about 300,000 people in the country. But an estimated 30 people a day still die in the town.

Mines planted in the two years of fighting among feuding warlords after they overthrew dictator Mohammed Siad Barre in 1991 have made it too dangerous to transport food by truck to large areas of the countryside.

The United States suffered its first casualties of the Somalia mission Wednesday when a U.S. vehicle hit an anti-tank mine near Bardera, killing a civilian employee of the army and injuring three State Department security officers.

With the taking of the town of Bardera on Thursday and Hoddur on Friday, only two more towns are left on the multinational task force's list of targets. United Nations officials are drafting plans to take over the job of moving food to the starving.

No timetable has been set for the change in command from the United States to the United Nations, diplomats at UN headquarters in New York said, but the Bush administration wants it done as soon as possible.

The UN secretary-general, Butros Butros Ghali, who has urged the Americans to stay longer and play a greater role in Somalia, met early in the week with the U.S. secretary of state, Lawrence S. Eagleburger, to discuss the shift.

Diplomats who attended a Security Council briefing by Mr. Butros Ghali on Wednesday night said the turnover of command was likely to be gradual, with UN peacekeepers moving into areas where roving bandits have been subdued.

President George Bush, who will visit Somalia on New Year's Eve, has expressed the hope that U.S. troops could be coming home by the time President-elect Bill Clinton takes office on Jan. 20.

More than 18,000 American servicemen and women are in Somalia, either ashore or aboard ships just off the Indian Office coast. The Pentagon originally planned to send 28,000, but that figure may be reduced.

Still on the list of towns to be taken are Belet Uen, near the Ethiopian border in western Somalia, and Gailalassi, about 150 kilometers north of Mogadishu in an area still infrequently visited by relief agencies.

Italian sources said a group of Italian and U.S. troops would leave Mogadishu on Saturday and arrive in Gailalassi on Sunday. Canadian troops are scheduled to take Belet Uen on Sunday. *(AP, Reuters)*

AGOG: *At Last, the Relief Arrives*

(Continued from page 1)

town and we must buy from those who are given the relief."

In Bardera, more than an hour down a pitted and still dangerous road, relief experts said they used to feed 120,000 villagers like Mr. Aden every day. But on Oct. 16, the forces of General Mohammed Siad Barre Morgan defeated General Mohammed Farrah Aidid for control of Bardera.

General Aidid's men laid mines in their retreat. General Morgan's laid mines to prevent General Aidid's return. Before Thursday, the road into Bardera had not opened since.

With wells filled by rocks and tools plundered, the villagers were unable to live their normal subsistence farming life. With the road closed to vehicles, relief agencies were unable to feed them.

Forty-four thousand refugees streamed into Bardera, and many of them died along the way. Even with food arriving now by cargo plane, 70 refugees die daily of famine-related causes.

"They've already planted crops, because we distributed seeds in late September and early October," said James Fennell of CARE, in his Bardera compound. "It's critical that we get people back to their villages before the harvest, because if that dies on the ground we've lost another six months."

Mr. Fennell and other relief officials said the first priority for the Marines was clearing the road. The mines are still very much a threat. On Wednesday a mine killed a State Department official and wounded three others who drove to Bardera in advance of the Marines.

About 900 Marines were preceded by combat engineers who swept a narrow path but left much uncleared. Arriving in town near sunset, the Marines were greeted by joyful throngs, and many of the troops began smiling again in return.

"U.N. Troops / Welcome / to Bardera with Peace," read a sign erected by the Somali Intellectuals Association, three members of which traveled to Bardera for only that purpose.

"This is my Christmas present to Africa," said Lance Corporal Joseph Trevino. "Of all the Christmas presents I've ever given, this is probably the best one."

Mine Injures 3 U.S. Pilots

Reuters

KUWAIT — Three U.S. pilots were injured when they set off a mine while exploring a Kuwaiti oil field, a local newspaper said on Friday. It said that one of the pilots noticed a wire on the ground and pulled the wire, setting off the blast.

Marines Rescue Journalists From Mob in Bardera

The Associated Press

BARDERA, Somalia — U.S. troops rescued a group of journalists Friday from a mob of Somalis who attacked the group with rocks and sticks, the U.S. military said.

The incident underscored the continuing tension in this central Somalia town, despite the arrival of U.S. Marines on Thursday.

Lieutenant Colonel Don Gersh, a Pentagon spokesman in Washington, said journalists from the BBC, NBC, Reuters and one unidentified organization were with a group from the charitable organization known as Save the Children when they were attacked by Somalis throwing rocks and sticks.

Colonel Gersh said the group was rescued about five minutes later by troops from the 7th Marine Regiment.

NBC reported that a mob had surrounded a house shared by NBC, BBC and Reuters reporters. The network speculated that the crowd was upset because the reporters were employing Somalis from Mogadishu, from another clan. It was not immediately clear whether the NBC report referred to the same incident that Colonel Gersh reported.

TRANSITION / THE NEW TEAM

★ POLITICAL NOTES ★

Trade Representative Must Learn as He Goes

WASHINGTON — Mickey Kantor, President-elect Bill Clinton's choice to become the next U.S. trade representative, will be the latest person to take the job with very little background in trade issues. Mr. Kantor, a longtime friend of Mr. Clinton's, was the chairman of Mr. Clinton's election campaign.

His views on trade, if any, are a mystery to people who have worked with Mr. Kantor. Robert M. Strauss and Bill Brock, who took the job after successful tours as party chairmen, as well as Carla A. Hills, the former secretary for housing and urban development who currently holds the job, also had modest experience in trade issues when they took the office.

Mr. Kantor, a partner at Manatt, Phelps, Phillips & Kantor in Los Angeles, heads a small group of lawyers who specialize in representing corporations before state and local regulators of air quality, transportation and other issues. George D. Kieffer, a partner at the law firm, said Mr. Kantor had done little if any work for foreign clients.

But Manatt, Phelps has registered with the Justice Department as a paid lobbyist for the NEC Corp., based in Tokyo. NEC is one of the world's largest electronics companies.

Mr. Kieffer said he did not know of any work Mr. Kantor had done for NEC, which is a client of the firm's Washington office. Facing a comparable situation, Mrs. Hills removed herself for one year after taking office from all issues handled by her former colleagues at the law firm of Weil, Gotshal & Manges.

One of the first trade issues to face the Clinton administration next year will be a review in March of whether Japan has met a target of buying 20 percent of its semiconductor chips from foreign companies. If Mr. Kantor removes himself because of NEC's position in the semiconductor industry, his deputy would have to make what is sure to be a politically sensitive decision on whether to retaliate if Japanese purchases fall short. *(NYT)*

From Anti-War Activist to Pentagon Overseer

WASHINGTON — Ronald V. Dellums, who is almost certain to be the new chairman of the House Armed Services Committee, came to Congress in 1971 at age 35 opposing the Vietnam War. When the committee brushed off his demand for an investigation of war crimes, he conducted his own informal hearings. Two years later, Mr. Dellums became a member of the committee. And soon the California Democrat, 57, will be in a position to hold any hearings he wants.

Over 21 years, Mr. Dellums's rhetoric has softened a little, his voting record has remained consistently liberal, and he has built a reputation for fairness and hard work that helped him and an Ohio Republican, Representative John R. Kasich, effectively challenge the B-2 Stealth bomber program.

Still, his ascension to the chairmanship — virtually assured when Representative Les Aspin of Wisconsin was chosen as defense secretary — is easily the most intriguing of the congressional shifts set into motion by President-elect Clinton's cabinet choices.

While Mr. Aspin has worked to shrink the Pentagon's budget, Mr. Dellums prefers more drastic cuts. As he told the House in June when pushing unsuccessfully for a $27.4 billion cut in the Pentagon budget, a full 10 percent reduction, "The Cold War is over, and our military budget ought to reflect that." *(NYT)*

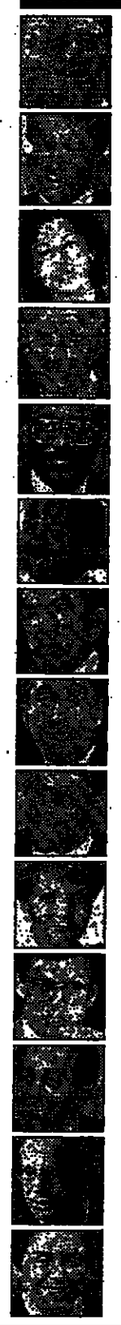
Front-Runners for Social Security Chief

WASHINGTON — Sources say that among the leading candidates to head the Social Security Administration, which runs the $300-billion-a-year Social Security program, are Alicia Munnell, senior vice president of the research division of the Federal Reserve Bank of Boston; Lawrence H. Thompson, a former high-level Social Security official and now assistant comptroller general of the United States for human resources programs, and Sandy Casber Wise, staff director of the House Ways and Means subcommittee on Social Security. *(WP)*

Quote-Unquote:

President-elect Clinton, on the people he has chosen for cabinet jobs: "They come from diverse backgrounds, and we will all be better and stronger for that diversity." *(AP)*

The Clinton Cabinet



LES ASPIN, Defense
Mr. Aspin, 54, has been chairman of the House Armed Services Committee for seven years. A former professor and a weapons expert at the Pentagon during the Vietnam War, the Wisconsin Democrat has served in Congress for 22 years, building a reputation as a defense expert partly on his efforts to expose Pentagon waste.

BRUCE BABBITT, Interior
Mr. Babbitt, 54, a former governor of Arizona, has forged a reputation as a committed environmentalist and gridlock-buster. He has led fights to keep Western lands public and protected. He is president of the League of Conservation Voters.

ZOE BAIRD, Attorney General
Ms. Baird, 40, is senior vice president and general counsel at Aetna Life & Casualty Co. She was an informal policy adviser to Mr. Clinton during his campaign, primarily on health care issues. She has also been a senior attorney at General Electric Co. and an aide in the Carter White House.

LLOYD BENTSEN, Treasury
Senator Bentsen, who turns 72 in February, chairs the Senate Finance Committee. The Democratic senator from Texas since 1970, he was Michael Dukakis's running mate in the 1988 presidential campaign.

JESSE BROWN, Veterans Affairs
Mr. Brown, 48, is a disabled Vietnam veteran, his right arm partially paralyzed from a 1965 combat wound. As an executive with Disabled American Veterans, where he has worked for 25 years, the Chicago native has vigorously campaigned against proposals to reduce some veterans' benefits.

RONALD H. BROWN, Commerce
Mr. Brown, 51, the first black chairman of the Democratic National Committee, has revamped his party's fund-raising, research and strategic operations. He was chief counsel to the Senate Judiciary Committee and served as general counsel and staff director for Senator Edward M. Kennedy of Massachusetts.

WARREN M. CHRISTOPHER, State
Mr. Christopher, 67, established his credentials as the No. 2 man at the State Department under President Jimmy Carter. He is best known for his role in negotiating the release of 52 Americans held hostage in Iran. He headed a commission that examined the Los Angeles Police Department after the Rodney G. King beating.

HENRY G. CISNEROS, Housing and Urban Development
Mr. Cisneros, 45, gained national fame as the first Hispanic mayor of a large American city. He served as mayor of San Antonio, his birthplace, from 1981 to 1989, leaving public office to lead an investment firm and head communications and air charter companies.

MIKE ESPY, Agriculture
Mr. Espy, 39, serves on several House agriculture subcommittees and has fought cuts in farm spending. He has been a close Clinton ally, as a leader of his Mississippi campaign. He became the only black congressman elected in Mississippi in this century when he won his seat — his first elected office — in 1986.

HAZEL R. O'LEARY, Energy
Mrs. O'Leary, 55, a lawyer, is president of the natural gas division of Northern States Power Co., a Minnesota utility that operates nuclear and coal-fired power plants. She was appointed to federal energy posts by both Gerald R. Ford and Mr. Carter and is considered an expert on nuclear waste disposal.

FEDERICO PENA, Transportation
Mr. Pena, 45, became a controversial figure during his two terms as Denver's first Hispanic mayor, winning two runoff elections and surviving an attempt at a recall late in his second term. By 1990, when he declined to run again, Mr. Pena had helped to improve the city's air quality and brought a new airport to Denver.

ROBERT B. REICH, Labor
Mr. Reich, 46, is a Harvard University professor specializing in political economics. He was a driving force behind Mr. Clinton's economic themes during the campaign, particularly the idea of improving the long-term economy through investment in infrastructure and worker education.

RICHARD W. RILEY, Education
Mr. Riley, 59, is a former two-term governor of South Carolina, first elected in 1978, the same year Mr. Clinton became governor of Arkansas. Mr. Riley orchestrated a 1 percent sales tax increase in 1984 to pay for changes in his state's school system. He is a lawyer who served in the legislature in the 1960s and 1970s.

DONNA E. SHALALA, Health and Human Services
Ms. Shalala, 51, has been chancellor of the University of Wisconsin's Madison campus since 1988. She has won praise for innovative solutions to fund-raising and racial incidents. She served as an assistant secretary of housing and urban development during the Carter administration.

The Associated Press

Tough Woman to Head Justice

Zoe Baird Is Tapped as Breakthrough Attorney General

By Neil A. Lewis
New York Times Service

WASHINGTON — Like generations of successful male lawyers, Zoe Baird, President-elect Bill Clinton's choice as attorney general, has repeatedly attracted the attention of influential lawyers who sped her on to better things.

It was at the Justice Department she has been chosen to lead that Ms. Baird was noticed by Lloyd M. Cutler, the first of several mentors who were impressed by her intellect and her talent for getting things done with little fuss.

Mr. Cutler, then White House counsel to Jimmy Carter, recalled Thursday how he met Ms. Baird. The administration was preparing to hand out political patronage jobs for the 1980 census, but Ms. Baird, then a Justice Department official, had written a legal opinion saying that would be against the law.

"I already had lists from Democratic congressmen who wanted those jobs," Mr. Cutler said. "I went over there to talk her out of it, but her argument carried the day."

He said he went back to the White House to tell disappointed officials that the young lawyer from the Justice Department was right, that the jobs had to be given out on merit. He was momentarily annoyed but was also impressed with her manner and scholarship. He invited her to join his office.

Ms. Baird, 40, comes from a generation of women who became lawyers in numbers equal to men and who were candidates for the kinds of promotion once only available to men.

"She's a woman who came up through the old boys' network in an era when women could do that for the first time," said Joseph N. Onek, a lawyer who worked with her in the office of the White House counsel.

As the news of Ms. Baird's selection spread, many career employees at Justice were thrilled, and some were alarmed. It was clear that profound change was coming.

It is not simply because Ms. Baird, an accomplished and by all accounts brilliant lawyer, is the first woman to head the Justice Department. It is because the department she will inherit has undergone a remarkable identity change during the 12 years since the Democrats last controlled it.

Some of Mr. Clinton's appointees in areas such as foreign affairs have been quick to assert a continuity in policy. But Ms. Baird — because of her temperament and Mr. Clinton's desires — is expected to set about swiftly reshaping what has become Republican administrations' headquarters for promoting conservative legal and social agendas.

> **'She's a very able manager and has proven that she can resolve difficult cases and bring order to complex organizations.'**
> **Bill Clinton**

"She is tough, tenacious and gifted," Mr. Clinton said when he announced his choice. "She's a very, very able manager and has proven that she can resolve difficult cases and bring order to complex organizations."

Mr. Clinton characterized the current Justice Department as poorly administered and beset by infighting. It employs 80,000 people and has an annual budget of nearly $11 billion. When Ronald Reagan was elected in 1980 and appointed William French Smith as his first attorney general, it had half that number of employees and about one-fifth the budget.

In a small-scale rehearsal for the job she now faces, Ms. Baird managed a major restructuring of the legal department at the Aetna Life and Casualty Co. shortly after she took over in 1990. Aetna, based in Hartford, Connecticut, employs about 120 lawyers and spends more than $90 million on legal fees.

Currently senior vice president and the general counsel of Aetna, she has helped to reshape the company's policies in health care, insurance litigation and government contracts.

Ronald E. Compton, Aetna's chairman and chief executive officer, said that being the first woman attorney general would present no problems to Ms. Baird.

"She's used to being in a very high-pressured, high-velocity environment," he said. "She was the first woman vice president of Aetna, and she has handled that extremely well. It would be very, very hard to intimidate this woman. Let's put it this way: I haven't seen it happen yet."

Another mentor, Warren M. Christopher, whom Mr. Clinton has chosen as secretary of state, played a crucial role in her selection as attorney general. They met when Mr. Christopher was negotiating with Iran for the release of the U.S. hostages, and she was providing legal advice. She later worked at his law firm, O'Melveny & Myers.

"What does Warren Christopher see in Zoe Baird?" asked Josh Gotbaum, a lawyer who worked with her in the Carter White House. "Someone very much like himself: Someone who is smart, incredibly discreet, gets along with a wide variety of people and who doesn't feel the need to show off."

CABINET: *A Group With Something for Everyone*

(Continued from page 1)

of Representative Leon E. Panetta of California as director and Alice M. Rivlin, former Congressional Budget Office chief, as his deputy.

Mr. Clinton stressed in announcing the appointments to the economic and national security jobs that he was looking for teamwork — something that was not always visible in the Carter administration. Some Capitol Hill Democrats worry that he may have gotten it — but only by exiling to outer cabinet positions politicians with more innovative policy ideas.

"Bob Reich and Bruce Babbitt will have more ideas about how to improve our economic performance than any of the people Clinton has picked to do that job," said a congressional Democrat, who insisted on anonymity. Mr. Reich has been appointed secretary or labor.

Told of this comment, a transition official said, "Bob and Bruce will be at the table. They'll be part of the dialogue. And in the end, Clinton will make his own policy."

Mr. Clinton's relative disdain for political geography and his careful attention to the constituency claims reflects the growing assertiveness and influence of those groups inside the Democratic Party. Ironically, Mr. Clinton had appeared to be resisting those pressures during the campaign, when he chose a virtual clone in Mr. Gore as his running mate and kept his distance from the more militant elements of the feminist, racial and ethnic caucuses.

He and Mr. Gore both came out of the Democratic Leadership Council. Mr. Espy, who will give up his Mississippi House seat if confirmed for the agriculture post, was the most prominent black in the council and an early Clinton ally. But few others among either the elected officials or the think-tank intellectuals identified with the council have found their way into the charmed circle of appointees.

Mr. Weber, one of the "new conservatives" whose thinking on some issues parallels that of such Democratic Leadership Council intellectuals as the economist Robert Shapiro, said on the record what some members of the Leadership Council say privately.

"If Clinton was elected to change things," Mr. Weber said, "I can't look at this government and say now I know what direction it's going.

"I thought there really might be a bipartisan attack on poverty and the failure of our education and welfare systems, but I don't see where the leadership for that will come from. You have a deficit-minded OMB and some activist but traditional liberals like Donna Shalala [Health and Human Services] in the cabinet. I see a potential for conflict there, but I don't see that much potential for innovation."

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PARDON: *A Calculated Gamble*

(Continued from page 1)

spoke mysteriously about what he termed "President Bush's own misconduct" and about notes taken at the time by Mr. Bush and delivered to Mr. Walsh only on Dec. 11. That and Mr. Walsh's other remarks suggest that he intends to dig further and that he disagrees with the president's view that the nation should put the entire Iran-contra episode behind it.

It is just conceivable, if unlikely, that some congressional committee might seek to question Mr. Bush about the pardons, either before or after he leaves office. When Gerald R. Ford pardoned Richard Nixon in 1974, Mr. Ford agreed to testify.

It is the pardon of Mr. Nixon that comes most readily to mind when evaluating those issued by Mr. Bush, even though it is one of the few precedents that he did not mention in his proclamation. The president cited the Lafitte pirates pardoned by James Madison after the War of 1812 and the draft evaders forgiven by Jimmy Carter after the Vietnam War were, but they were very small fry compared with Mr. Weinberger and the others involved in the arms-for-hostages matter.

The biggest difference between 1974 and 1992 is this: Mr. Ford acted before his campaign for a full term two years later, in the knowledge that it could cost him the presidency. Many believe it did.

Mr. Bush, on the other hand, waited until after the election, when the personal electoral risk would be nil. That deprives his action of the aura of selflessness that clung to Mr. Ford's pardon, all the more so since it was always clear that Mr. Ford had no role in the Watergate scandal that drove Mr. Nixon from office.

Mr. Bush put Mr. Weinberger in a different category from the other five men whom he forgave: They might have acted wrongly, he said, though they did so out of decent motives.

But the former defense secretary, the president said, was "a true American patriot" who deserved to be honored by his country, not prosecuted by it. The subtext was clear: This man has done nothing wrong and is being unjustly persecuted.

Many in Washington will welcome that verdict; Mr. Weinberger is immensely well connected and popular with senior people in both parties. He is also 75 and ailing. But some of those who have spent years investigating the case, especially those on Capitol Hill, argue that none of that gave him the right to withhold notes of important meetings when asked for them. One person's patriotism may involve protecting a president; another's may involve being frank and honest with a congressional committee or a prosecutor, no matter how much it hurts.

Perhaps Mr. Bush was therefore right, theoretically speaking, in saying that "the proper target is the president, not his subordinates, and the proper forum is the voting booth, not the courtroom." The problem is that Ronald Reagan never faced the voters after the arms-for-hostages affair came to light. His successor, Mr. Bush, was not much of a target in 1988 and 1992, and could hardly have been judged on the issue, even if the electorate had been outraged, given his protestations of noninvolvement.

Again in Mr. Bush's phrase, the country is likely to "move on" now, toward and into the Clinton administration. One wonders whether even a Weinberger trial would have slowed that inevitable change of focus. Mr. Weinberger and Mr. MacFarlane will soon be forgotten by all but the experts, like Harold Brown and William P. Clark and dozens of others who have held their jobs before them.

But George Bush will be remembered. All presidents are. And he will be judged and rejudged as the years go by, not only for what he did but also for the standards he demanded of those around him. History alone will decide whether he was too lenient with the Iran-contra Six or whether, as he asserted, only his pardons could avoid further national ructions.

■ 'Crimes in High Office'

The pardons have prompted the prosecutor to suggest a White House cover-up of the Iran-contra affair and "misconduct" on the part of Mr. Bush, The Associated Press reported from Washington.

Mr. Walsh said for the first time that Mr. Bush was the "subject" of his investigation. That is a step below being a "target" — a person likely to be charged with a crime.

He also said Mr. Bush's announcement of the pardons "demonstrates that powerful people with powerful allies can commit serious crimes in high office without consequence."

He said: "the Iran-contra cover-up, which has continued for more than six years, has now been completed."

Mr. Walsh, who has pursued the investigation for six years, said Thursday his office learned Dec. 11 that Mr. Bush had withheld from prosecutors "highly relevant contemporaneous notes" he took as vice president during discussions of the Iran-contra initiative in the Reagan administration.

"The production of these notes is still ongoing and will lead to appropriate action," Mr. Walsh said. "In light of President Bush's own misconduct, we are gravely concerned about his decision to pardon others who lied to Congress and obstructed official investigations."

Prompted by 'Honor and Fairness'

United Press International

Following are excerpts from President George Bush's proclamation pardoning former Defense Secretary Caspar W. Weinberger and five others charged or prosecuted in the Iran-contra scandal:

Today I am exercising my power under the Constitution to pardon former Secretary of Defense Caspar Weinberger and others for their conduct related to the Iran-contra affair.

Caspar Weinberger is a true American patriot. He has rendered long and extraordinary service to our country.

I am pardoning him not just out of compassion or to spare a 75-year-old patriot the torment of lengthy and costly legal proceedings, but to make it possible for him to receive the honor he deserves for his extraordinary service to our country.

I have also decided to pardon five other individuals for their conduct related to the Iran-contra affair; Elliott Abrams, Duane Clarridge, Alan Fiers, Clair George, and Robert McFarlane. First, the common denominator of their motivation — whether their actions were right or wrong — was patriotism. Second, they did not profit or seek to profit from their conduct. Third, each has a record of long and distinguished service to this country. And finally, all five have already paid a price — in depleted savings, lost careers, anguished families — grossly disproportionate to any misdeeds or errors of judgment they may have committed.

The prosecutions of the individuals I am pardoning represent what I believe is a profoundly troubling development in the political and legal climate of our country; the criminalization of policy differences. These differences should be addressed in the political arena, without the Damocles sword of criminality hanging over the heads of some of the combatants. The proper target is the president, not his subordinates, the proper forum is the voting booth, not the courtroom.

In addition, the actions of the men I am pardoning took place within the larger Cold War struggle. At home, we had a long, sometimes heated debate about how that struggle should be waged. Now the Cold War is over.

For more than 30 years in public service, I have tried to follow three precepts: honor, decency, and fairness. I know, from all those years of service, that the American people believe in fairness and fair play. In granting these pardons today, I am doing what I believe honor, decency, and fairness require.

Away From Politics

● **Michael R. Milken, the former junk bond financier,** will begin a two-month transition to freedom on Jan. 4, when he is scheduled to be moved to a halfway house in the Los Angeles area, a U.S. prison official said. Mr. Milken has served nearly 22 months of a two-year prison sentence for securities fraud. He is to be released from custody on March 2.

● **A Ku Klux Klan cross was erected** on a public square in central Cincinnati, replacing one that had been knocked down earlier in the week. It stood largely ignored through the day after one man tried to topple it.

● **The Reverend Jesse Jackson checked out of a hospital** in Washington, where he had been admitted with a fever and bronchial congestion, and headed for Chicago, where he was to spend the Christmas holiday with family members.

● **Maryland will dock welfare benefits** of families whose children skip school or don't get proper medical care, starting next month.

● **Three youths were indicted on murder charges** in the shooting death of Patrick Daly, a New York City school principal who was caught in the crossfire of an apparent drug dispute at a housing project.

● **California's plan to pay lower welfare benefits** to poor women and children who move to the state from elsewhere has been blocked temporarily by a U.S. judge. The policy, put into effect on Dec. 1, is a linchpin of Governor Pete Wilson's effort to balance the state budget. Under it, newcomers would be limited for 12 months to the amount of aid they had received in their former states.

● **One of New York City's most influential labor leaders,** Barry Feinstein, has agreed to give up his union posts for one year and pay a $65,000 fine in a compromise agreement to resolve administrative charges that he misused $500,000 in Teamsters Union funds, government and union officials said.

● **A proposal to link state payments to hospitals** to the quality of care they provide will made by the administration of Governor Mario M. Cuomo of New York. The plan, which state and hospital officials said was the first of its kind in the country, is part of a package of proposals intended to curb health-care costs and increase access to primary care. *AP, NYT, LAT*

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International Baptist Fellowship. 8 Bimbo u. 56 (main entrance Tapolcsanyi u. 7, immediately behind front entrance). 10.30 Bible study. 6:00 p.m. Joel Jenkins, pastor. Tel.: 115 8759 & 115 6116. Reached by bus 11.

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OPINION

Unpardonable Pardon

Of all the president's powers, the power to pardon may be the most awesome because it is not shared or checked by any other branch of government. The abuse of that ultimate power may be the ultimate abuse of office. With his Christmas Eve pardon of Caspar Weinberger and five other defendants in the Iran-contra scandal, President George Bush committed that ultimate abuse.

If Mr. Bush had rested his pardon of Mr. Weinberger on the former defense secretary's health alone, he might deserve credit for compassion. But he went on to lecture Lawrence Walsh, the independent prosecutor, against what he called "the criminalization of policy differences."

That is a bogus complaint. Mr. Weinberger was charged with lying to Congress because of policy differences; lying to Congress for any reason is criminal conduct. When Congress calls the highest executive officials to testify, as it did in probing Iran-contra, it is entitled to truthful testimony under pain of prosecution for telling falsehoods. Contrary to the president's statement Thursday, the "sword of Damocles" should hang over a witness sworn to tell the truth.

The president also defended the pardons by asserting that Mr. Weinberger and the others are patriots with distinguished records who have not profited from the acts of which they stand accused or convicted. Those are valid factors for leniency at sentencing, not excuses for criminal cover-ups, perjuries and devious obstruction of legitimate congressional inquiry.

Of the six beneficiaries only Alan Fiers, former CIA director of covert action in Central America, even remotely deserved clemency. He wrestled with his conscience, and his conscience won. He testified against his former boss, Clair George, exposing the agency's lies to Congress about its role in the illicit aid to the Nicaraguan contras. For this genuinely patriotic act, Mr. Fiers suffered the scorn of officials and agents who valued a code of silence above the national interest in the truth.

When President Gerald Ford pardoned Richard Nixon for Watergate crimes — a precedent Mr. Bush ignored in his pardon message — he said he had acted to restore harmony and move on. Mr. Bush invoked the same sentiments. But the Nixon pardon was wrong, too, and Ford paid a political price, even though he was not in the loop of officials implicated in Watergate.

Mr. Bush remains implicated in Iran-contra, and in that sense he has shamelessly pardoned himself. Unlike Mr. Ford in 1974, Mr. Bush is beyond the reach of American voters. But he is not beyond the reach of responsible opinion or of history.

— THE NEW YORK TIMES.

Tax Energy at the Pump

The rumor exists that the Clinton administration-to-be might look kindly on an oil import fee to help reduce the deficit. The contrary rumor, of course, can also be heard if only you listen carefully enough. But an oil import fee is such a bad idea that it deserves to be knocked down now.

The deficit does indeed need to be reduced, but an oil import fee is the wrong way to do it. Bill Clinton himself fed the speculation as to a fee in discussing the drawbacks of a rival proposal, a possible gasoline tax increase, in a recent interview. He made the familiar argument that a higher gasoline tax, in addition to being regressive, would fall disproportionately on people in western states, who tend to drive long distances, then observed that in North Dakota "Kent Conrad just got elected to the Senate on an oil-import fee, which is different from a gas tax in the sense that it goes across all oil products and therefore hits the states that use oil for other things, like home heating oil."

That is a long way from an endorsement, but it wasn't a put-down, either.

It isn't clear yet that Mr. Clinton and his advisers have even come around to the need for an energy tax. The progressive income tax remains the fairest hunting ground for the increased revenues that the government needs. Rates at the top were greatly reduced in the Reagan years; they could be restored a bit, as Mr. Clinton has already proposed, and no harm done. In the Reagan-Bush years, various steps were also taken to close down the personal exemption and some of the more familiar exclusions and deductions as income rises, as with the partial taxation since 1983 of Social Security benefits. More of that could usefully be done, too.

For those who, for environmental and/or fiscal reasons, think that there ought to be higher energy taxes as well, the question occurs: What kind? All such taxes would be regressive to the extent that their distributional effects were not offset. The gasoline tax, while encouraging conservation, would have the additional political liabilities of being highly visible and tilting against the West. But an import fee would also have a regional tilt; it would likely fall hardest on the Northeast, where many people depend on oil to heat their homes.

Its worst side effect, however, would be the windfall it would create for the domestic energy industry. The price of imported oil would go up so many dollars a barrel; the price of domestic oil would be free to follow. Users of domestic oil would pay a higher price, but the proceeds would go to the oil companies, not to the government.

Advocates from energy-producing states — Treasury Secretary-designate Lloyd Bentsen has been among them — say that the higher prices would stimulate domestic production and help reduce the trade imbalance. But that's not clear; nor is it an efficient way to produce the result. For a country supposedly in search of freer world trade, an oil import fee is not a good idea, either. The gasoline tax is a better alternative.

— THE WASHINGTON POST.

Collapse of an Air Deal

Work on 'Open Skies'

Sadly but wisely, the Bush administration has rejected a proposal by British Airways to invest $750 million in USAir. This quasi merger would have benefited U.S. travelers modestly. It might also have had a much stronger benefit, advancing the administration's strategy for prying open foreign business for U.S. carriers. But the British government would not go along and so, in the end, the Bush team was right to say no.

Air travel between the United States and Europe is swathed in restrictive agreements that prevent strong U.S. carriers from competing head to head with foreign airlines. That means high prices and few flights. To protect their coddled national carriers, the European Community countries have refused to negotiate for "open skies." So last summer, the United States adopted a bold strategy of picking off one country at a time.

In July, the United States signed an open skies treaty with the Netherlands. That treaty looked oddly one-sided: It gave U.S. carriers access to a postage-stamp-size country, while giving the Dutch access to the United States. But the administration's rationale emerged later when KLM, the Dutch carrier, took advantage of the treaty to seek approval for a plan to link up with Northwest Airlines.

Threatened by KLM's privileged access to the lucrative U.S. market, other European carriers began to seek U.S. partners. But their applications, unlike KLM's, would face opposition because their governments had not signed open skies treaties.

British Air's proposal would have given veto rights over important USAir decisions, a possible violation of U.S. law. The suspect provision, which required the administration's approval, became the crowbar to pry open London's Heathrow Airport to U.S. carriers. The tactic was smart. But as this past week's events showed, it failed.

Given Britain's recalcitrance, the administration was right to reject the deal, otherwise lopsided. It would have left such U.S. carriers as American and United at a disadvantage because they are not allowed to fly to Heathrow freely. A combined British Air-USAir operation would have offered travelers more inviting choices.

More important, approving this one-sided deal would have cost the administration credibility and crippled efforts to negotiate open skies with the rest of the Community.

All might not be lost. British Air and USAir may yet work out a more acceptable arrangement. Or USAir might seek a different foreign partner — perhaps from a country willing to accept open skies. That remains a prospect worth fighting for.

— THE NEW YORK TIMES.

A Loss for the Public

British Airways' decision to back out is a victory for other U.S. carriers that had been lobbying against the proposed arrangement with USAir on a number of grounds — all of which boiled down to fear of stiffer competition. Their highest grounds were that the proposal should be tied to increased access by all U.S. carriers to passengers in Britain. The effort to secure more rights in Britain should be pursued, but so should foreign investment in America's airlines to improve prospects for a competitive industry.

British Airways had proposed to invest $750 million in USAir in exchange for 44 percent ownership and 21 percent of the voting rights in the U.S. carrier. U.S. law allows foreign nationals to acquire up to 49 percent of the equity and 25 percent of the voting stock, but under no circumstance to "control" a carrier. British Airways had sought the agreement to gain more access to the U.S. market. It now is allowed to fly only point-to-point between Britain and the United States, with no traveling on to other U.S. destinations. The USAir relationship would have provided "feeder" traffic for British Airways from places served by USAir, and it would have fed passengers from Britain to USAir for connections.

Transportation Secretary Andrew H. Card Jr. agrees that carriers from everywhere would benefit from a loosening of restrictions, which would feed competition, and that U.S. carriers certainly could benefit from more foreign investments. The USAir-British Airways proposal could have begun to serve both these ends.

— THE WASHINGTON POST.

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Get Started On the Zones Of Freedom

By A. M. Rosenthal

NEW YORK — Now that Bill Clinton has his foreign policy team in place he owes himself, the United States and the world one thing more: a foreign policy that will strengthen and extend the zones of freedom.

It is in the zones of freedom that people can walk free, talk, worship and vote free. That condition of life would be sufficient reason for the United States to adopt more and stronger zones of freedom — also known as human rights and democracy — as its foreign policy goal.

All right, idealism. Americans often act as if they are embarrassed by the word. But, put to them plainly and in embraceable cause, they accept it. Else, why the long fight against fascism and communism — and why in heaven would U.S. Marines now be in Somalia?

But there is another important reason. Zones of freedom usually are zones of peace, a phrase recently used at Yale by outgoing Undersecretary of Defense Paul Wolfowitz.

Nations living under the protection of democracy and human rights do not go to war with each other. Idealism plus self-interest equals democratic realism — the equation for liberty and peace.

In the 1992 campaign, the presidential candidates did their best to convince Americans that jobs, jobs, jobs were more important than freedom, freedom, freedom. Yes, the economy is essential and of course an economically weak America can't help the world.

But those truisms became puffed up to a moral philosophy. They are neither moral nor a philosophy. Economic policy can cost or save jobs. Foreign policy costs or saves lives. History knows the difference, as do mourners.

Here on the desk is a fat pile of statements and speeches that show Mr. Clinton knows, too: his comments on Communist Chinese brutality, Haitian refugees, the genocide in Bosnia, tyranny in the Middle East, arms control, Somalia and so on. They are sophisticated and compassionate comments; interesting how often the two are inseparable. But they are a foundation, not a building.



By HENG in Lianhe Zaobao (Singapore). C&W Syndicate.

The fact that Mr. Clinton is untested in foreign affairs makes his own imprint and leadership essential. Neither America nor the world will jump to attention to a fax from the State Department.

Going in, Mr. Clinton has one great advantage — the fall of communism. Now all he has to do is devise a policy that will deal with outbreaks of genocide, starvation, religious massacres, the breakup of the Soviet empire into nationalities bound by mutual detestation, international terrorism, militant Islamic fundamentalists and the approaching acquisition of nuclear power by Mideast dictatorships.

In all this, the American people have more than a glancing interest. But diplomatic and intelligence specialists already warn him against candor.

Diplomatic secrets are important, occasionally. But secretiveness is something else — a distorted mind-set that comes out of distrust of the public and a conviction that diplomats, unlike other human beings, have the right to cover up their actions and mistakes. Like, for instance, the buildup of Iraq and Iran and the current itch to make Syria respectable.

Mr. Clinton knew the public could understand economic policy. It is time for him to let some fresh air into foreign policy.

To start with, a public roundtable on foreign affairs, chaired by Mr. Clinton, would help the country understand where it is going and why. Democratic realism does not mean automatic intervention. The idea is to win ground, not lose it in senseless or doomed action.

America has the right to hear from Mr. Clinton and his appointees precisely how far they are ready to go in Yugoslavia, for example. Is the goal to save Bosnian lives, which is morally imperative, or also the current boundaries of Bosnia, which is not?

In the State Department, the Bureau of Human Rights needs a chief who has already made a name in the field — like Joshua Muravchik, who wrote the important book "Exporting Democracy." And it has to be involved in the economic and political policies that decide whether human rights flourish.

The Inauguration Day speech approaches. Now, that would be a fine time for Mr. Clinton to begin fulfilling as president the hope he held out as candidate — to nourish the zones of freedom.

The New York Times.

Expect Some Shots From the Stay-at-Home Folks

By William Safire

WASHINGTON — Bill Clinton's selection of Tony Lake and Sandy Berger to head the Conceptual Frameworkers Union down in the White House basement sends an unmistakable signal to the world: The foreign policy of the United States will be a far cry from the one denounced Oct. 2 by candidate Clinton in Milwaukee.

In that speech, which might have been titled "It's Foreign Policy, Stupid," Mr. Clinton attacked a Bush "policy that embraces stability at the expense of freedom" and called for one "that lights fires in the hearts of millions of freedom-loving people around the world."

The primacy of Mr. Clinton's National Security Council staff in foreign policy was underscored by the designation of Warren Christopher, a Weltanschauung-free negotiator, as secretary of state. He will be traveling a lot, leaving the administration of the department to his deputy, an experienced pension-fund manager.

"We need bold new thinking to guide us in this new era," declaimed Mr. Christopher, who thereby showed he needs a bold new speechwriter to steer him away from the clichés of an old era. The bolding SecState should also resist alarmist insertions from Al Gore about "the very destruction of our planet's life-support system."

Let us assume that Mr. Clinton's four foreign-policy addresses, culminating in the Lake-Berger Milwaukee speech, form the basis for his vision of America's shouldering of responsibility in the single-superpower world. Also assume that his choice of James Woolsey to head the CIA, heartening to hard-liners, is evidence of his desire to refocus that agency's mission and to make its product more usable.

What this means is that the Democrats have recovered from their generation-long Vietnam trauma and have returned to the Wilson-FDR-Truman-Kennedy-Johnson view of the American burden, or at least a multipolar version thereof.

That stunning, historic turnabout has had an immediate effect: Because Mr. Clinton publicly supported intervention in Somalia and air cover and arms for the besieged Bosnians, George Bush — after calling the latter "reckless" — felt politically free to send U.S. troops to Africa and at least make threats to the Serbs. (Mr. Bush and Mr. Clinton forget only the endangered Kurds.)

Intervention is in. Although the Pentagon qualifies that with "we do deserts, but we don't do mountains," our military establishment — part of Washington's dovecote for a generation — now goes along with global burden-bearing, provided it is short and solitary and not nasty or brutish.

Much of this new readiness to enforce law or establish order may be to justify the continuance of big budgets, but the Joint Chiefs are effectively buttressing intervention on behalf of the new idealism — as espoused by the Vietnam dissenter Bill Clinton.

If the former liberal doves and conservative hawks are now human-rights bedfellows, where will the opposition to intervention come from? Though isolationists are presently unelectable, the law of ideological compensation is ineluctable.

The first opposition to be heard from is respectable. As Gerald Seib reports in The Wall Street Journal, conservative Senators Hank Brown of Colorado, Malcolm Wallop of Wyoming and Robert Smith of New Hampshire voted against the resolution urging force against the Serbs; 18 of the 22 senators who voted nay were Republicans. A conservative Democrat, Representative John Murtha of Pennsylvania, was skeptical about involvement in Somalia.

Certainly there should be voices demanding to know: "What are we getting into? Who is making what secret commitments? Under what principles? Why can't regional powers take on or share the burden? How do we measure success, limit risk and end involvement?"

But if all does not go well somewhere, these seekers of clear definitions and goals will be joined, perhaps overwhelmed, by the "troubadours of trouble," in Clare Luce's phrase: isolationists of the resentful right, Perot protectionists, diplomatic accommodationists, and old New Left peaceniks now lying quietly in the weeds.

The Clinton foreign-policy consensus is creating a vacuum, and politics abhors a vacuum. Unreconstructed interventionists know which side we're on — active engagement to stop mayhem and promote democracy — and we're waiting to see who emerges to lead the side of determined detachment.

The New York Times.

Curves Ahead for Clinton on the Trade Policy Road

By Hobart Rowen

WASHINGTON — It could have been a defining moment at the Little Rock economic conference: Rudiger Dornbusch of MIT was answering a question from Treasury Secretary-designate Lloyd Bentsen. What are the possibilities, Mr. Bentsen had asked Mr. Dornbusch, of getting Japan to open up its markets further to foreign goods?

Mr. Dornbusch said he hoped the Clinton administration would "pursue that discussion more productively than in the last 12 years, when there were hundreds and hundreds of negotiations and no progress whatsoever."

And then he added, referring to Mr. Clinton's surprise designation of a University of California economist, Laura D'Andrea Tyson, as chair of the Council of Economic Advisers: "Surely, that is a first message to Japan that we'll pursue serious trade policy, and we have not in the past."

Mr. Clinton did not take the opening Mr. Dornbusch gave him to define a "serious" trade policy. According to one insider, the president elect "had already heard an undercurrent of anti-Japanese sentiment from some business participants and, Bill, in his own careful way, retreated — he didn't want to appear to be taking sides."

A battle is going on in the Clinton camp on just how to reshape the failed Bush trade policy, and it goes well beyond Ms. Tyson's appointment to the CEA. She was not chosen as the top economic adviser because she believes, as she says, in a "cautious, activist" trade agenda. Mr. Clinton found her attractive because she is smart, and one of the few economists with a Ph.D. to have developed the theory that a nation like the United States could pursue a competitive international strategy not by going protectionist, but by emphasizing public investment at home. That is a glovelike fit with basic Clintonomics.

Ms. Tyson's interest has focused on helping American companies break down artificial barriers to entering the Japanese market. She wrote recently, "We must not be hoodwinked by the soothing notion, that in the absence of U.S. intervention, the fate of America's high-technology industries will be determined by market forces." In remarks last February to a business audience in Los Angeles, she said that "there may be some room for pressure — or 'bashing,' if you wish. But it should be informed bashing for high-quality American products."

But, peter-principled to the CEA, Ms. Tyson won't be the key player for Mr. Clinton on her specialty. She will be preoccupied with broader macroeconomic issues, such as investment, savings, taxes and the budget.

In many ways, Mr. Clinton has already made it clear that he basically is a free-trader, but intends to get tougher with Japan. Mr. Bentsen's comments in Little Rock showed an impatience with Tokyo's determination to press exports abroad while its domestic economy sinks into recession.

The trade policy debate in Little Rock comes to this: Will U.S. competitiveness be solved by scapegoating Japan and Europe for their successes, or by fixing what has gone wrong in America? It would be a big jump from an aggressive policy aimed at opening up foreign markets to blaming everything on U.S. trading partners.

Mr. Clinton should evolve a policy that is neither mindlessly committed to free trade, nor a drift into protectionism. The outlines of a practical middle course were set out by policy adviser Robert Rubin in a statement published by the Cuomo Commission.

The problem is that the president-elect is also pulled in other directions. A new addition to the Clinton transition team bolstering an already influential hawkish wing is Mike Wessel, drafted from the staff of Majority Leader Richard Gephardt.

The Washington Post.

Thank-You Notes for Good Works

By Leslie Gelb

NEW YORK — People actually do do fine and noble things. So allow this pundit to interrupt the usual flow of complaints and howls and give these holiday bouquets to those whose good works expose words as mere words.

The people of the relief organizations in Bosnia and Somalia. Heroes all, they are beacons to our ever-besieged humanity. In Somalia, organizations such as the Red Cross, CARE, the International Medical Corps, Doctors Without Borders, World Concern and the International Rescue Committee kept millions alive while the world looked away.

In Bosnia, the IRC plus others such as AmeriCares, International Orthodox Christian Charities, Doctors of the World and the American Jewish Joint Distribution Committee have fought to save lives amid mayhem. My thoughts go particularly to two people I recently met who touched, fed and comforted the refugees of the Bosnian horror — Father Svetozar Kraljevic and Sister Janja Boras. Words tremble at their deeds.

Prime Minister Yitzhak Rabin of Israel. He took his election mandate and transformed it into courageous policies. He froze construction of new settlements in the West Bank, loosened travel restrictions on Palestinians and offered compromises to Syria and the Palestinians. This leader has staked his career on serious negotiations. With all his current troubles, he represents the best hope yet for a secure Arab-Israeli peace.

Ross Perot. For joining the presidential race and breathing fresh air into politics.

The leaders of Nizhny Novgorod, formerly Gorky. The officials of this city, guided by the regional governor, Boris Nemtsov, and the economic whiz Grigori Yavlinsky, have turned Russia's third-largest urban center into a model of democracy and free enterprise. Nizhny's citizens have been able to buy trucks with vouchers, open shops and own their own farms. Proving that good politicians can get things done, anywhere.

Hundreds of thousands of Germans. When their government seemed stymied by resurgent Nazism, ordinary Germans — 2 million this month alone — took to the streets to protest racism and violence against foreigners. These protesters represent the new Germany, a democratic Germany, and they deserve more leadership.

Queen Elizabeth. She graciously agreed to pay future taxes. One hopes she will graciously avoid the loophole of deducting real estate depreciation.

Ross Perot. For inexplicably abandoning the race, then entertainingly stretching even election-year credulity by explaining that he did so to save his daughter's reputation. And for inexplicably rejoining the race, enlivening the presidential debates and teaching about the budget deficit and clinical paranoia.

Defense Secretary Dick Cheney. He helped lead the America through several military operations and began major cutting of the Pentagon budget — all with a minimum of lying.

Certain U.S. automobile makers. Some Detroit executives remembered how to make a car that works. The Lincoln division of Chrysler even put air bags on the passenger side of one of its cars. Now the passenger has as much right to survive an accident as the driver.

Ross Perot and the American people. For liking and amusing each other, without the latter turning over the White House to the former.

Vaclav Havel. For remaining civilized in a sea of inhumanity.

Bill Clinton. Because it will be hard to earn bouquets once he becomes president and makes the kinds of terrible mistakes pundits were put on earth to condemn in the name of humanity and truth.

Myself. For two years of punditry without ever once concluding a column with the dull truisms seeking always to burst from my soul — "History will judge," "It remains to be seen" and "Only time will tell."

The New York Times.

Cuckoo? You Can Be The Judge

By Flora Lewis

PARIS — Foreign Minister Andrei Kozyrev of Russia stuns the 50 other ministers at the conference on Security and Cooperation in Europe, promising help for Serbia from "Greater Russia" and reviving the harshest Cold War rhetoric.

Walter Russell Mead, a professional foreign policy expert, writes in the soberly academic World Policy Journal that the United States can restore its own frontiersman vigor and solve the dangerous economic and social distress of Russia by buying Siberia "at a fair price — perhaps in the range of two or three trillion dollars."

He acknowledges that is a lot more than the per acre price paid for Alaska, but points out that "real estate, oil and gold are all up since 1867, and the dollar is down."

There is such a confusion of proposals and arguments about how to meet what the French analyst Dominique Moïsi calls "the challenge of the new world disorder" that these suggestions have a point. It is the Time of the Cuckoo, anything might be possible. Look closely.

It may be a time when it is worth listening to the far-out fantasticks.

When the shock had sunk in, Mr. Kozyrev took the floor again to explain he had performed a charade. But he wasn't joking; he was seriously forewarning what the world would be hearing from Moscow if the nationalist-Communist opposition to President Boris Yeltsin came to power.

"They talk of shock therapy," he told correspondents afterwards. "Well, this is shock diplomacy."

It is an innovation. Nothing in the annals offers a precedent for such a coup de theatre, plenty of swaggering bluff, yes, not such farcical fright.

The Mead article is full of statistics, economic models and predictions about how U.S. development of Siberia could lead to wiping out the budget deficit, bring manufacturing jobs to revitalize America's inner cities, and "rediscover a sense of national unity and purpose."

It sparks visions of a Wild East division of the new frontier, maybe a compelling new Hollywood genre about tough, self-reliant engineers versus rampaging cossacks, which, of course, would be called "Easterns."

"Given its social and economic problems, it is not surprising that Russian democracy is under attack," Mr. Mead argues cogently. "If democracy cannot guarantee a decent standard of living for the people and cannot show that Russia is respected abroad, it has little future in that proud and angry land."

So selling Siberia to the United States is also the best way to solve Russia's problems, the author suggests. It would make "Russia a stronger country and not just a richer one," and with the vast capital transfer Russia could "begin to advance into the first world, rather than sliding into the third." Its immense new purchasing power could be used to require foreign investment as a condition of orders.

There are intricate details on how the United States could finance the scheme, and generous promises for the people who live in Siberia.

"The small nationalities of the region would receive settlements based on the recent settlements of indigenous land claims in Alaska. All the inhabitants of Siberia would become American citizens with all the rights and privileges the rest of us enjoy plus the right to use their native languages in official business in the new territories. ... Those who choose to live under Russian rule would be free to leave with guaranteed fair compensation for any property left behind."

When the United States takes ownership, Siberia would be divided into territories, due to be admitted to the Union with rights equal to the 50 present states.

It is intriguing and audacious, and prompts a second look at the title of the article : More Stars in Our Flag — A Modest Proposal for U.S. Policy After the Cold War. Echoes of Dean Swift's modest proposal to resolve the Irish famine by eating the children?

But there is nothing inhumane, if this is a satire, and the purchase of Alaska by President Abraham Lincoln's secretary of state used to be called "Seward's folly." No longer.

The earnest people aren't making much sense about the world these days. It may be a time when it is worth listening to the far-out fantasticks.

© Flora Lewis.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Dublin Explosion

LONDON — The peace of Dublin was terribly disturbed on Christmas Day by a dynamite outrage of an inexplicable sort in the immediate neighborhood of Dublin Castle, at the Detective Police Office, at the rear of the Chief Secretary's Chambers. The explosion was heard for miles around. A detective officer was killed, though a suspicion prevails that it was the Castle that was aimed at. The police authorities consider that the motive was a desire to retaliate for the disappointment caused by Mr. John Morley's, MP, refusal to liberate John Daly, in an English prison, though other convicts were released.

1917: 'Bully Christmas'

PARIS — Thousands of American soldiers and sailors were warmly welcomed and royally entertained at a dozen different places that extended Christmas invitations to them. The feature of the day was the cutting of the famous 360-pound "Liberty Cake," at the Hotel du Pavillon. Music and a concert were among the side attractions. Every American was made to feel at home, and the laughter and songs were evidence that all the boys were having a "Bully Christmas."

1942: King's Message

LONDON — [From our New York edition:] In a Christmas message to British peoples throughout the world, King George VI stressed the importance of the empire and said the war had shown "the value of what we might have lost." Speaking over the radio, he declared that "the lessons learned during the forty months behind us have taught us how to work together for victory," and added that "we must see to it that we keep together after the war to build a worthier future." "The message of Christmas," he said, "is a message of thankfulness to the Almighty for His great mercies, and of hope for the return to this earth of peace and good will."

Italian Bank Faces Trial on Iran Loans

Financiers Also Accused in U.S. Case Over Funneling Illegal Funds to Iraq

By Steve Coll
Washington Post Service

VENICE — Prosecutors here are preparing for a criminal trial in which they will charge that the Italian bank at the center of controversy in the United States over its alleged role in funneling illegal loans to Iraq during the late 1980s also was helping to finance improper arms sales to Iran.

The prosecutors say that both the bank's senior executives and the Italian government were aware of the illegal trade with Tehran.

Italian prosecutors allege that state-owned Banca Nazionale del Lavoro's senior executives in Rome, branch officers in Paris and Turin, and senior Italian government officials in charge of controlling arms exports to Iran and Iraq all participated in an elaborate scheme to finance and disguise shipments of arms and munitions worth at least several hundred million dollars to Tehran's Ministry of Defense during the latter years of the Iran-Iraq War.

The alleged shipments violated an Italian ban on arms sales to either side in the war. Bank executives and the accused Italian officials — including three members of Italy's secret service who sat on the Rome government's interagency export control committee — have denied the charges, which are due to come to trial in February. Fifty-nine people have been indicted.

Questions concerning who knew what about illegal arms trade in the Middle East, and when they knew it, are at the center of the related controversy involving the bank in the United States. There, prosecutors are preparing for the retrial of the bank's Atlanta branch manager, who is accused of arranging unauthorized loans to President Saddam Hussein's government.

Much of the controversy about that case has arisen from charges that the accused branch manager has been made a scapegoat for a scheme to help Iraq that involved more senior figures at the Italian bank's headquarters and possibly in Western governments.

A Justice Department inquiry exonerated U.S. officials of any involvement in such a cover-up. The inquiry concluded that the original decision to accuse only the Atlanta branch manager, and not more senior officials at bank, did not result from any effort to avoid embarrassment about U.S. dealings with Iraq. Rather, it said, the reason was a disagreement among prosecutors over whether the evidence justified charges against anyone other than the Atlanta manager.

At the same time, the report noted that prosecutors may not have considered adequately involvement by senior bank officials because of "a mindset" that made them discount evidence contrary to their theory of the case.

The indictment here says that while U.S. prosecutors in Atlanta were concluding that the bank scheme involving Iraq did not justify charges against senior bank executives or government officials, their Italian counterparts looking into arms trade with Iran — working separately and with different evidence — were reaching the opposite conclusion about their case.

Felice Casson, a Venice magistrate who led the Iran investigation, decided by mid-1990 that the evidence in his case justified charges not only against the members of the bank's executive committee in Rome but also against three secret service officials and four officials from the Ministry of Defense who sat on the government committee charged with approving sensitive exports to the Middle East. That committee during the 1980s supervised exports to Iraq.

Japan Politicians Given $3 Billion

Reuters

TOKYO — Japanese politicians, perceived as greedy and corrupt after a spate of funding scandals, were given 356 billion yen ($3 billion) in political contributions by companies last year, tax authorities said Friday. That is the figure according to 1991 tax returns by more than 64,000 Japanese firms.

The Sagawa affair, Japan's third political funding scandal in four years, has put the spotlight on how companies, needing favors, woo politicians with secret, undeclared funds.



Bruno Muscroni/The Associated Press

Pope John Paul II, sending out his blessing to the world from Vatican City, condemned those responsible for violence.

In a 'Deaf' World, Pope Calls for Peace

Compiled by Our Staff From Dispatches

VATICAN CITY — In an anguished Christmas message, Pope John Paul II pleaded for peace in a world he said seemed "deaf and impenetrable" at times to a message of healing and hope.

Concerns about violence dampened holiday observances at Bethlehem.

But worshipers worldwide also found reasons for optimism. Cubans took advantage of a relaxed official attitude toward religion, and Albanians celebrated the reopening of a church after decades of repression.

In Bahrain and the United Arab Emirates, Christmas carols and symbols such as Santa Claus were allowed to appear for the first time, the sign of liberalized attitudes toward Christianity in the Gulf. But in at least one other Arab country, signs of religious intolerance remained.

From the central balcony of St. Peter's Basilica, the Pope inveighed against those responsible for hostilities in the Mideast and the "planned and inhuman" ethnic war in Bosnia-Herzegovina.

"Listen to the voice of love, both sweet and powerful, especially you who brandish violent and murderous arms," the Pope pleaded in a strong voice to a crowd of 15,000 listening in the cold and rain at Vatican City.

Sometimes the earth seems "really deaf and impenetrable" to the presence of a God who came "to heal the wounds opened in humanity's side," he said.

The fighting in the former Yugoslav republics drew special attention from the Pope, who called on Serbs to lift their siege of Sarajevo in Bosnia-Herzegovina.

"I am thinking of the children of Sarajevo, of Banja Luka, of the people of Bosnia-Herzegovina, the hostages of planned and inhuman violence," he said.

But the head of the Greek Orthodox church, Archbishop Seraphim, said that Greece should defend the rights of Orthodox Christians in the Balkans, including the Serbs.

The archbishop cited what he termed "territorial designs" on Greek lands by the former Yugoslav republic of Macedonia, and threats to the sizable Greek minority in southern Albania.

In Bethlehem on Christmas Eve, pilgrims and tourists packed the Church of the Nativity. Outside, hundreds of Israeli soldiers and police patrolled in a bone-chilling rain.

The outlawed Irish Republican Army declared its traditional Christmas cease-fire in Northern Ireland, but it gave no indication of plans to halt bombings and bomb scares that are intended to drive the British out of the republic.

In her Christmas message, Queen Elizabeth II acknowledged that 1992 has been a harsh year for her family, but also expressed sympathy for others who have suffered more.

She made no direct mention of the family's troubles. But she told the nation that "like many other families, we have lived through some difficult days this year." She thanked those who had sent messages of sympathy.

English-language radios in Bahrain and the United Arab Emirates were playing Christmas carols for the first time, and English-language newspapers were allowed to use the words "Christmas" and "Santa Claus." Previously the holiday was referred to as the "festive season," and Santa was taboo.

In Saudi Arabia, by contrast, religious volunteer police went into the central post office in Riyadh, residents said, and destroyed outgoing mail thought to be Christmas cards.

In Cuba, better relations between the Roman Catholic Church and the once militantly atheistic Communist government allowed more open celebrations.

But for many Cubans, this is a Christmas of rice and beans, of gifts not given and of prospects for a grimmer year. Cuba has been struggling economically under a U.S. trade embargo and the end of Soviet patronage.

The Pope, moving to rebuild the Church in Albania, appointed four bishops to fill vacant dioceses in the former Stalinist state. Catholics in the northern Albanian town of Shkodra celebrated the return of their cathedral, which was converted into a sports hall under Communist rulers who outlawed religion.

(AP, AFP, Reuters)

Lithuania to Review Pardons of Former Nazi Collaborators

By Stephen Kinzer
New York Times Service

VILNIUS, Lithuania — Lithuania's newly elected president says he is ready to review pardons issued to Nazi collaborators by the previous government, and has invited a delegation of Israeli Nazi-hunters to visit Vilnius in January.

"There are cases where certificates of rehabilitation have already been canceled," the new president, Algirdas Brazauskas, said in an interview. "I am looking forward to the arrival of the Israelis. They will see that my government wants to do everything possible to resolve this problem."

An Israeli investigator who visited Vilnius recently to arrange the coming visit, Efraim Zuroff, head of the Jerusalem office of the Simon Wiesenthal Center, said he believed that Mr. Brazauskas would respond to Israel's concerns. Mr. Zuroff was one of several Holocaust specialists who protested some of the pardons issued by Lithuania's previous government.

"There's a new government up there, and it's a new day," Mr. Zuroff said from Jerusalem in a telephone interview. "I think I see a new openness and a new desire to reach a positive result."

Beginning in 1989, and accelerating after passage of a law in May 1990, the Lithuanian authorities issued more than 50,000 pardons to citizens who had been convicted of resisting "occupation regimes." Many were issued to people whose resistance to Communist rule led them to work with the German Army during World War II.

Among Nazi collaborators granted "certificates of rehabilitation" were some believed to have taken part in the killing of Lithuanian Jews. The Lithuanian authorities defended the pardons, saying people who received them had associated with Nazis because they hoped the German Army would help free them from Soviet rule.

A clause in the 1990 law forbids the issuing of pardons to anyone who had been involved in killings or acts of genocide. The former government, which was headed by Vytautas Landsbergis, insisted that it had observed that clause. But last year the Wiesenthal Center produced the names of 20 pardoned people whose background, according to the center, included involvement in mass killing.

In November, at around the time the Landsbergis government was defeated in an elections, officials quietly revoked four pardons they said had been issued in error. They revoked two other pardons earlier in the year.

The Wiesenthal Center has repeatedly asked Lithuania's government for a list of those pardoned, so it can compare the list against its own files. But the government has never released the list. Obtaining it will be a principal goal of the Israeli delegation scheduled to visit Vilnius in January.

Helen Joseph, 87, Foe Of Apartheid, Is Dead

New York Times Service

JOHANNESBURG — Helen Joseph, 87, who conducted a long campaign against apartheid, died in Johannesburg on Friday.

For more than three decades, apartheid's rulers sought to turn the often-ailing, always feisty Mrs. Joseph into a nonperson, placing her variously under forms of house arrest and banning orders that prevented her from receiving more than one visitor at a time.

She was declared a "listed person" — a peculiarly South African punishment supposed to prevent her words from being quoted in any form.

Even when formally silenced, though, she never accepted the restrictions, imposed under the Suppression of Communism Act. "You can't silence yourself," she once said.

"The total period of her banning and house arrests was 20 years," said Carl Neihaus, a spokesman for the African National Congress, shortly before her death.

Throughout the years of apartheid, Mrs. Joseph's story was one of persecution. After the country's great cataclysm of unrest in 1960, she was placed in solitary confinement for more than four months — "a short term in jail never harmed anyone," she said. Tried along with Nelson Mandela and others in a treason trial that lasted until 1961, she was acquitted, unlike Mr. Mandela.

Each year on Dec. 25 she would organize a gathering to remember those imprisoned, in exile, banned or slain because of their opposition to apartheid.

Friends would line the road opposite her small cottage in Johannesburg's Norwood suburb, and cross over — one at a time — to offer season's greetings.

In the ranks of anti-apartheid campaigners, Mrs. Joseph was an associate of such persons as Nelson and Winnie Mandela — who once described her as part of their "family." In the turmoil of the mid-1980s, when she herself was advanced in years, she appeared at mass protest rallies.

Born in an English country town in Sussex in 1905, Mrs. Joseph seemed set for a middle-class English life, either at home or in the colonies. She graduated with an honors degree in English from London University in 1927 and went on to teach for three years in India.

When she arrived in South Africa in 1931 at the age of 26, however, her manners gave no inkling of the travails and upheaval that lay ahead. Settled in Durban and married to a dentist, she "threw herself into the lifestyle of a socialite," the Johannesburg Weekly Mail said in a 1986 profile. "In those days she was known as beautiful and flighty, leading a life of wining and dining and bridge parties."

Her friends agreed that her enlistment in the Women's Auxiliary Air Force during World War II and her subsequent decision to become a social worker in Cape Town and Johannesburg exposed her to the realities of apartheid.

Robert E. Marshak, 76, a former president of the City College of New York and an expert on theoretical physics, died Wednesday while vacationing with his family in Cancún, Mexico.

Pierre Culliford, 64, the cartoonist who created a world of paunchy elves with droopy hats, put them in a village of mushroom-shaped huts and called them Smurfs, died Thursday at his home in Brussels.

Vincent Fourcade, 58, a New York-based decorator known for opulent Victorian interiors, died from AIDS on Wednesday at his home in Paris. Mr. Fourcade and his partner, Robert Denning, decorated elaborate homes in both the United States and Europe with richly patterned walls of brocades or velvets, tasseled curtains, fringed lampshades and grand French furniture.

An Ex-Chancellor's Concern for 'Soul of German People'

By Craig R. Whitney
New York Times Service

HAMBURG — Helmut Schmidt's eyes and ears may not be as sharp as they were when he was chancellor of West Germany 15 years ago, but his vision is. He worries about the future of this country now more than he ever did then, at the height of the Cold War.

"The soul of the German people is in danger," he said in an interview at the weekly journal Die Zeit, where he is one of the principal editors.

What troubles him, he says, is not only the violence against foreigners that has stained Germany's reputation as nothing else has since World War II; it is that he cannot see when the external pretexts for such violence are going to end.

"No other country in Europe has as many neighbors as the Germans have," he said, "and historically, whenever Germany has been either too strong or too weak, there has always been turbulence."

A wave of foreigners seeking asylum from the economic and social chaos that replaced communism in Eastern Germany and then a wave of assaults, firebombings and violence against them and their shelters went unaddressed by the country's political leaders for nearly two years.

Finally, this autumn, hundreds of thousands of Germans took to the streets to show their abhorrence, and the Christian Democratic coalition government of Chancellor Helmut Kohl acted, banning several far-right organizations charged with instigating racial and ethnic hatred.

"I think the government has belatedly done what had to be done — much too late, in my view," said Mr. Schmidt, a Social Democrat. "Now it's up to the judges and the courts to act quickly, and not let cases that take more than a year to come to trial end with a conviction for disturbing the peace, a couple of months in prison, and then a long probationary period."

Mr. Schmidt, 74, is the last living German chancellor of the generation that came of age in World War II. The horror of the Hitler years shaped his values, and his life. The Nazis were a dangerous and highly organized mass movement led by a brilliant and evil demagogue, and he sees nothing remotely similar in the groups of mostly unemployed young people responsible for today's trouble, if the authorities do their job.

"There is no reason to compare Germany today with Germany in 1932 or 1933," Mr. Schmidt said.

But, he said, "Germany, with 80 million people after unification, is half again as big as Italy or Great Britain, five times as big as Holland and twice as big as Poland. On top of that there is Auschwitz and the rest of our terrible history. So all our neighbors look at us with concern and alarm when things seem to be going wrong. Sometimes they overreact."

As chancellor, Mr. Schmidt was regarded as being far from the left wing of his party. He is more openly critical of it now than he could be while he was chancellor, from Willy Brandt's resignation in 1974 until Mr. Kohl succeeded him in 1982. And he still sounds as jauntily self-confident in his judgments.

"Until a few weeks ago," he said, "I could not see how my party, which didn't want to change it, proposed to deal with the massive problem of misuse of the right by hundreds of thousands of people — nor could I see how the government was going to deal with it by changing the constitution."

The government and opposition parties agreed a few weeks ago to amend and enlarge the constitutional provision to make it more difficult for people not fleeing political, racial or ethnic persecution to say they are when they get to Germany. Until now, all they have had to do to get temporary asylum is to say they want asylum.

They will keep coming, Mr. Schmidt believes, until the government hires additional adjudicators and takes other practical steps to speed the processing of applications and make it clear that unfounded ones will be quickly rejected.

Meanwhile, the peaceful protest marches demanding an end to violence against foreigners continue daily. Hundreds of thousands of Germans bear candles and tread the streets of the main cities to show that the democratic values of openness and tolerance must not be taken hostage by a violent minority.

"There are at least hundreds of times more people who are against violence against foreigners than there are young people who commit it," Mr. Schmidt said. "Whether these young people will learn much from this or change their behavior is another question."

■ Appeal From Weizsäcker

President Richard von Weizsäcker has called on Germans to broaden their definition of citizenship and accept the country's 6 million Turkish and other foreign residents as Germans, The Washington Post reported from Berlin.

In his televised Christmas address to the nation, Mr. Weizsäcker broke with tradition and with the country's elected political leadership by urging that Germans combat anti-foreigner sentiment by making "it easier for foreigners to get citizenship."

Germany excludes foreigners from its mainstream, he said, even in its language. He criticized news organizations here for using the term "Turks" to describe the three victims of last month's fatal firebombing of longtime Turkish residents in Mölln, near Hamburg.

"Ten-year-old Yeliz Arslan, was born among us and never lived anywhere else," Mr. Weizsäcker said of one of the victims. "Our media simply called them three Turks. That expression, based solely on their passports, already suggests that they should remain forever foreign. But those three in Mölln belonged to us."

Mr. Weizsäcker said Germany's "fall of unrest," a reference to this year's 2,200 attacks on foreigners by rightist extremists, is over and "lies behind us, but fear and anxiety have soaked into many hearts and unrest simmers among the people, who search for orientation."

The call for a more liberal citizenship policy is the most direct plea yet by a prominent national figure. The opposition Social Democratic Party also supports easing citizenship requirements, especially for second- and third-generation foreign residents, but it was unable to get a commitment for change from Mr. Kohl in recent talks.

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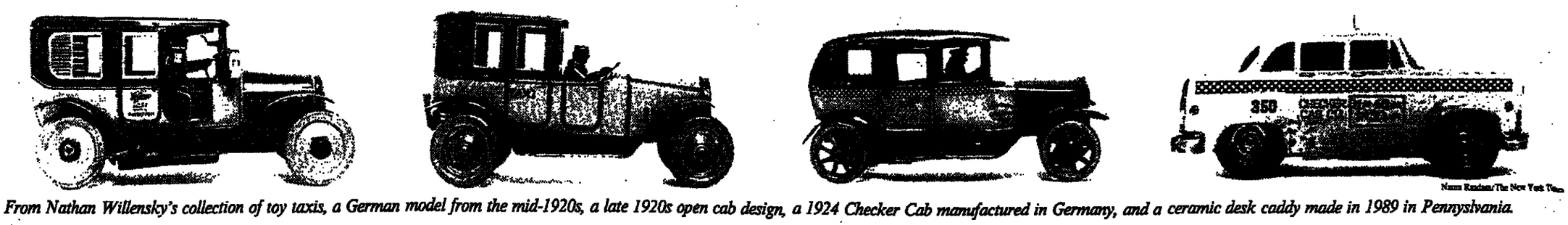
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From Nathan Willensky's collection of toy taxis, a German model from the mid-1920s, a late 1920s open cab design, a 1924 Checker Cab manufactured in Germany, and a ceramic desk caddy made in 1989 in Pennsylvania.

Nanu Rankan/The New York Times

Taxi? Here's a Show by a Man With 1,500 of Them (Toys)

By Rita Reif
New York Times Service

NEW YORK — Nathan Willensky takes taxis almost everywhere he goes, whether working or vacationing in New York City, Los Angeles, Houston, London or Ocho Rios, Jamaica.

"I'd rather take a cab than rent a car any day," said Willensky, 43, a food broker and wholesaler. "My four-year-old Caddy has less than 20,000 miles on the speedometer. I've probably done twice that mileage in cabs between here and JFK since I bought it."

Willensky not only relishes riding in taxis but likes looking at them, too. That's why he has amassed 10,000 pieces of taxi memorabilia, including 1,500 toy cabs.

Currently, 100 of his artifacts are part of "Great Stuff," an exhibition at the Children's Museum of Manhattan, through August.

Willensky's mini-taxis come in the form of toys, cookie jars, pillows, salt-and-pepper shakers and clocks.

"I began collecting taxis 12 years ago with a bright Yellow Cab cookie jar," Willensky said. "It was a birthday present from my mother. She'd heard me talk about taxis since I was a kid. So, why not a cookie jar in the shape of a taxi?"

Willensky's earliest memories of taxis date to his childhood in Atlantic Beach on Long Island. "When I was 10 years old, I lived very far from school, about a 20-minute ride by school bus," he said. "If I wanted to stay after school to play with friends, a neighbor who ran Lou's Cab Service would pick me up and drive me home in his Checker cab."

At age 13, Willensky and six friends would take the train to Manhattan and go by Checker to hear jazz in Greenwich Village. "Most drivers would let seven of us pile in," he said. "In those days, 1963, a ride in a Checker was cheaper than seven subway tokens, which were 15 cents each."

More than half of Willensky's toy taxis have lettering on the door that reads "Yellow Cab" and are modeled on taxis produced by the company of that name, which was founded in Chicago in 1915 and was bought out by General Motors nine years later.

The costliest toy taxis today are the vintage varieties — the squarish models from the 1920s and the streamlined ones from the 1930s. Most of Willensky's Yellow Cabs have been produced since 1970, after it became New York City law that all licensed cabs must be yellow and all other cars-for-hire a different color.

But toy taxis date to the turn of the century and were mass-produced after World War I. Before 1920, cabs spelled romance and high-style living and were celebrated in songs like "The Darktown Strutters' Ball," which begins, "I'll be down to get you in a taxi, honey."

Willensky owns an original copy of the sheet music of the 1917 hit by Shelton Brooks. Even taxicab board games were created, but of the 10 Willensky has acquired, "none came close to the inventiveness of Monopoly," he said.

Willensky buys most of his taxi materials — toys as well as matchbooks, driver's hats, out-of-date medallions, licenses and plates — from other collectors and at toy auctions.

The items in his collection have ranged in price from 25 cents for a 1930s' postcard depicting a Checker cab to $9,900 for a toy baggage truck modeled on those made in the 1920s by the Yellow Cab Co. to accompany a hack.

The toy, made by Arcade, an Illinois manufacturer of cast-iron playthings, sold poorly and is now a rarity, one of two known to survive. Willensky bought the truck at a 1988 sale organized by the auctioneer Noel Barrett in New Hope, Pennsylvania. Two years later, Willensky was outbid at another Barrett auction when a toy taxi-limousine made by S. G. Gunthermann of Nuremberg brought $30,000. The price is the record at auction for any toy car.

Why collect toy taxis? "There are enough taxis to make it interesting but not too many to prove frustrating," Willensky said. "There must be 30,000 or 40,000 toy buses. It's almost impossible to collect that many of anything. And the competition among bus collectors is fierce. Cab collectors are something else. We're a friendly dozen people."

The most visible evidence of Willensky's interest in taxis is parked on the front lawn of his Long Island vacation house: the bright yellow fiberglass body of the taxi used in the 1978 film "The Wiz."

Willensky sees his Checker-like taxi most weekends when he, his wife and their two daughters drive out in their Cadillac. "I bought the Caddy," he said, "because it came with what they called the taxi package: stronger shock absorbers and a longer warranty on the engine. It's guaranteed for 250,000 miles."

A Masterpiece Reassembled

By Matthew Rutenberg
New York Times Service

FLORENCE — The Italian art world has ignored the 500th anniversary of Columbus's arrival in America in favor of a series of exhibitions commemorating the deaths in 1492 of two other Italians: Florence's "first citizen," Lorenzo de' Medici, and the painter Piero della Francesca.

The Lorenzo quincentenary is culminating in a huge display here at the Palazzo Strozzi. Yet a small show at the Uffizi through Jan. 10 — "A School for Piero," which seeks to demonstrate Piero's debt to Florentine art — is especially rewarding because it reunites one of the most important monuments of the early Renaissance, the St. Lucy altarpiece by Domenico Veneziano.

For the first time in more than a century, panels from the altarpiece that were scattered in collections in Italy, the United States, England and Germany have been brought together. These panels, on their own, have long been considered among the loveliest and most sophisticated paintings of their era. But to see all the elements together is to realize that the altarpiece is even greater than the sum of its parts.

The main panel (more than two yards square) depicts the Madonna and Child with Saints Francis, John the Baptist, Zenobius and Lucy. Beneath it are the five panels that make up the predella, illustrating stories from the lives of those figures.

Three of these panels are particularly remarkable. "St. John the Baptist in the Desert" shows one of Florence's patron saints casting off his garments for an animal skin. His nudity is a bold innovation in religious art, and his idealized form suggests that Domenico studied classical statuary.

The rocky Apennine wilderness in which the saint stands is striking in its austerity.

In "The Miracle of St. Zenobius," a predella panel depicting a dead boy being revived by the city's other patron saint, the hysterical grief of the child's mother is echoed by the "Dr. Caligari"-like architecture. This miracle is said to have occurred during the fifth century, on the Borgo degli Albizzi, one of the city's main thoroughfares; Domenico represents the street as it might have appeared in his own day.

In its geometric harmony and refined palette, the "Annunciation," the center of the predella, despite being damaged on the left side, is one of the most nearly perfect images of its time.

The main panel of the altarpiece is a traditional devotional image with a group of saints symmetrically arranged around the Madonna and Child, outside time or place. Before Domenico, it was customary to separate these figures from the Madonna and Child.

His innovation was to place them all within a unified space, one that is elaborately conceived but ultimately irrational. In the lower half of the panel, the saints stand in front of arches that seem to be both behind and in front of them.

The gleaming pink and green marble architecture, behind which can be seen orange trees, evokes the ideal, hermetic world of a Renaissance villa.

Little is known about Domenico Veneziano's life. As his name implies, he was from Venice. Yet his artistic education seems to have been in Florence in the 1420s, where he absorbed the innovations of Brunelleschi and Masaccio. He was, perhaps, formally apprenticed to a master of the more old-fashioned International Gothic style.

By 1439, Domenico was painting a series of frescoes for the church of San Egidio in Florence. A document notes that he paid Piero della Francesca for some assistance there — the connection that forms the basis for "A School for Piero." These frescoes have all but disappeared; a couple of scarcely revealing fragments are in the current show.

The St. Lucy altarpiece came later. It is usually dated around 1445-47, by which time Piero's style was fully formed, and he had little contact with Florence. So the centerpiece of the exhibition has little to do with its ostensible theme.

The 16th-century art historian Giorgio Vasari claimed that Domenico brought the secret of working in oil paints from Venice to Florence.

Vasari wrote that Domenico's work commanded such acclaim that a fellow artist, Andrea del Castagno, grew envious and murdered him. Since Domenico was buried in 1461 and Castagno had died four years earlier, this melodrama must be dismissed, though it suggests the sensation the Venetian's work caused in Florence. Little of this work survives: apart from the St. Lucy altarpiece, only six other paintings are now generally attributed to Domenico.

The altarpiece originally stood behind the main altar of the Church of Santa Lucia de' Magnoli in the Pitti Palace in Florence.

The main panel was taken to the Uffizi in 1862. Apparently the elements of the predella were dispersed before then. Today two of them are at the National Gallery in Washington; two are at the Fitzwilliam Museum in Cambridge, England, and one is at the Gemaldegalerie in Berlin. All these institutions have cooperated to make possible this remarkable reunion.

Matthew Rutenberg, an art consultant in New York, wrote this for The New York Times.



The main panel of the St. Lucy altarpiece by Domenico Veneziano.

Georgia O'Keeffe and Alfred Stieglitz: Together Again

By Hank Burchard
Washington Post Service

WASHINGTON — Georgia O'Keeffe and Alfred Stieglitz: together again! The Phillips Collection has opened the first joint exhibition of her paintings and his photographs since 1924, when the maturing artist and her aging mentor were married.

The show, which runs through April 4, is an overdue celebration of one of the most-famous collaborations in American art. It is mounted in the discrete yet intimately interrelated spaces of the Goh Annex, in groupings that give full range to the resonances between the works.

Curator Elizabeth Hutton Turner makes a compelling presentation of the process by which the professional relationship between O'Keeffe and Stieglitz grew personal and empowering, then dwindled as she outgrew his smaller talent and withdrew from his increasingly dependent grasp.

Turner carefully avoids the sort of cant that clouds so much of current art scholarship. By not belaboring the point but simply allowing the artists and their actions to speak for themselves, she leads us to the inescapable conclusion that Stieglitz took much more from O'Keeffe than he gave her, and that while he boosted her career, she revived his.

O'Keeffe was a 20-year-old Virginian studying at New York's Art Students League when she first met Stieglitz, 44, in 1908 while visiting his famous 291 gallery, which at that time was the tip of the leading edge of the American avant-garde. Nothing immediately came of that meeting, but O'Keeffe kept current with the work of the Stieglitz circle by subscribing to his pioneering Camera Work magazine and corresponding with a New York friend who was a 291 gallery regular.

Studying and teaching art in South Carolina, Chicago, Texas and the University of Virginia, O'Keeffe developed a bare-bones abstract style that was entirely original and far ahead of anything being done by her male contemporaries.

In 1916 she sent 10 charcoal drawings to her friend, who showed them to Stieglitz, who seized them and put them on display in his 291 gallery without O'Keeffe's knowledge or consent. O'Keeffe went to the gallery and demanded that Stieglitz take them down. He either charmed or overpowered her, and they stayed up.

The following year Stieglitz gave O'Keeffe her first solo show, which also turned out to be the last exhibition at his failing gallery.

WHILE teaching in Texas, O'Keeffe fell ill in the influenza epidemic that swept the country in 1918, and Stieglitz dispatched photographer Paul Strand to bring her to New York. There she went to live first with Stieglitz's niece and then with Stieglitz, who meanwhile had left his wife.

O'Keeffe was 31, just coming into her full powers. He was 55, and hadn't done any really notable work for decades. If O'Keeffe was energized by their relationship, Stieglitz was positively galvanized, producing series after series of photographs of O'Keeffe and clouds.

As one follows the chronology of their work, presented at the Phillips with spare precision, it becomes inescapably apparent that this is a case of a big talent being overtaken and overshadowed by a bigger one.

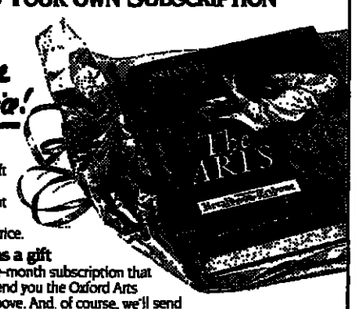
Summering at his family place on Lake George, New York, she painted and he tried to match her with photographs; in the beginning, it had been his photographs that had inspired her.

In 1924, after individual shows at Anderson Galleries, O'Keeffe and Stieglitz had a joint one there; later in the year, after Stieglitz's divorce became final, they married.

It seems to have been an attempt, on both their parts, to strengthen a relationship that was strained by the gradual reversal of their roles. Her former mentor was by then advising her to give up the huge flower paintings that were to become her signature.

By 1929 O'Keeffe began summering in the American West, where she eventually settled; Stieglitz remained in the East. There was no formal separation, much less divorce, but they gradually became not much more than friends. Stieglitz died at 82 in 1946, O'Keeffe at 98 in 1986.

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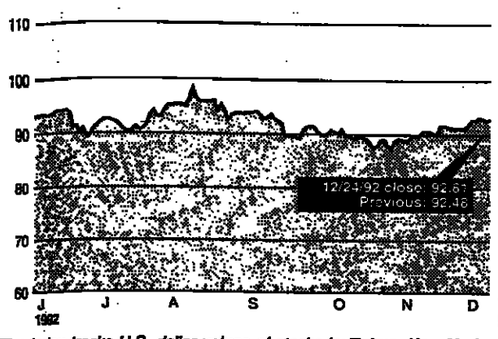
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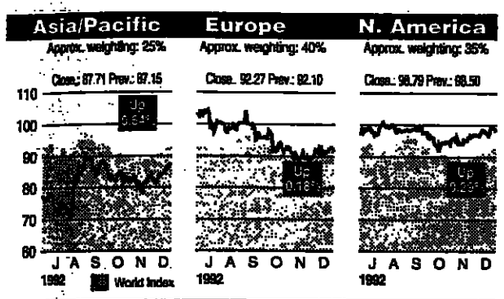


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Industrial Sectors

	Thu. close	Prev. close	% change		Thu. close	Prev. close	% change
Energy	92.69	92.34	+0.38	Capital Goods	92.75	92.19	+0.61
Utilities	88.13	88.07	+0.07	Raw Materials	93.13	92.92	+0.23
Finance	85.94	85.54	+0.47	Consumer Goods	94.19	94.20	–0.01
Services	103.41	102.74	+0.65	Miscellaneous	94.50	93.30	+1.29

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Clinton Seen Offering Airlines a Lift

By Martin Tolchin
New York Times Service

WASHINGTON — Helping the American airline industry recover from its $8 billion tailspin since 1990 is a top priority for President-elect Bill Clinton and Congress, according to government and industry officials.

Proposals under study, they said, include tax incentives, regulatory relief, global partnerships and revisions of bankruptcy laws to bolster the troubled industry.

They also hope to persuade foreign governments to provide greater access to U.S. carriers that seek to expand their international routes.

That issue led to the abandonment this week of a plan by British Airways to invest $750 million for a 44 percent stake in USAir, the fifth-largest U.S. carrier.

The deal fell through because the United States and Britain were unable to agree on steps to open their airline industries to greater competition. Its failure was cited by some as an example of how the industry and the federal government should have been able to work more successfully.

"There is a sense that many of the international carriers are working in partnership with their respective governments, and that kind of partnership does not exist here in the United States, where our carriers are left to their own devices as they compete globally," said Federico Pena, who is chairman of Mr. Clinton's transition team on transportation and was nominated Wednesday to be secretary of transportation.

In an interview before his nomination was announced, Mr. Pena predicted that under Mr. Clinton there was "going to be much closer attention on the part of the federal government to the U.S. airline industry, to assure the ultimate survival of the industry."

The industry went from a $1.7 billion profit in 1988 to a $4 billion deficit in 1990, and $2 billion deficits in 1991 and 1992, according to the Air Transport Association, which represents the major airlines.

Proposals include tax incentives, regulatory relief, global partnerships and revisions of bankruptcy laws.

Mr. Pena said he envisioned more of a government partnership with the airline industry and less of an adversarial relationship. He supported tax incentives "to allow the industry to thrive, something that foreign governments do all the time."

"We're all concerned about the thousands of people who have lost their jobs, and have to make sure that that doesn't continue to be the trend in the future," he said.

Similarly, Representative Norman Y. Mineta, Democrat of California, who will be chairman of the House Public Works and Transportation Committee, said the airline industry would be "a top priority" of his committee.

Mr. Mineta said he had already discussed specific measures with Mr. Clinton, including a reduction in the $3 charge that some localities charge airline passengers. To remain competitive, airlines sometimes elect to pay the fees themselves, at a cost last year of $1.2 billion to the industry.

Patricia Goldman, USAir's senior vice president for corporate relations, cited these "passenger-facility charges" as an example of "an enormous number of regulations that have significant costs attached and significantly impact our bottom line."

Many industry obervers said the airlines were a primary victim of the faltering economy.

"We are very much slaves to the economy," said Jim Landry, president of the Air Transport Association, which represents the major airlines. "A great many of our seats are being filled at below-cost prices. If there is an economic recovery, we'll get a return to a

See AIRLINES, Page 11

U.S. Arms Makers Emphasize Recycling

By Louis Uchitelle
New York Times Service

PHILADELPHIA — The steel hulls of 12 big Chinook cargo helicopters on the assembly line of Boeing Co.'s helicopter factory have been sanded and burnished so that the silvery metal looks new. But small numbers stenciled in black on the hulls tell a different story. "022," one says, documenting that this was the twenty-second Chinook ever built, in 1961. None of the hulls is less than 15 years old.

Like so many military contractors, Boeing Helicopter is increasingly engaged in the rebuilding and upgrading of old weapons instead of building more expensive new ones. The conversion of old weapons into more modern versions, rather than simply overhauling them periodically as the Air Force does with the B-52 bomber, now appears to account for more than half the military hardware manufactured in America, and the percentage keeps growing.

But as the numbers grow, so do the questions about whether the economics of such an approach make sense. With military budgets shrinking, rebuilding a Chinook so that it can carry more cargo or an M-1 Abrams tank so that it is a more deadly weapon, is good business for weapons contractors, especially if it is a question of selling 20 improved weapons rather than only 6 new ones.

The improved weapons sometimes end up costing the Pentagon almost as much as a new system. And while the practice saves money in the short run, weapons experts say it could bring on a crisis in a decade or so when Chinook and Abrams tank hulls are too old for yet another upgrade.

"You get in the bind where the oldest model costs so much to run and maintain that you have no money to buy a new system," said Major Peter Keating, an Army spokesman.

Congress would then have to choose between raising military spending to purchase new weapons or letting the weapons inventory shrink as worn-out weaponry is scrapped. Neither President George Bush nor President-elect Bill Clinton has addressed these issues.

"But right now, we have a lot of existing platforms with years of life in them, so we are looking for upgrades, and that trend will continue," said Robert Hall, a Defense Department spokesman.

The pressure to rebuild weapons has intensified because the cost of new weapons has kept rising even as the military budget has shrunk. The Pentagon, in effect, covers a weapons maker's costs, negotiating the amounts to be covered, and then adds a profit, as it has for more than two decades. As a result, the Pentagon has increasingly chosen to rebuild, say, 30 existing weapons rather than purchase 15 more expensive new ones.

The practice has gathered steam since 1987, when spending on weapons procurement began to shrink, after reaching a record $100 billion. Adjusted for inflation, the annual outlay today is about $80 billion.

For Boeing Helicopter, as for many other weapons makers, upgrading weapons has kept factories open.

Since the late 1980s, Boeing has been working on a contract that is costing the Pentagon more than $5 billion to rebuild 538 older Chinooks into the Model D, which can carry more weight a longer distance. The Chinooks are flown here intact and then overhauled.

The last helicopter in this process is to be returned to the Army by mid-1995, and after that the hope is to sustain the production line with foreign sales. "We have people girdling the globe, trying to sell new Chinooks," said Stuart

See WEAPONS, Page 11

Japan's Outlook Turns Bleaker, Reports Indicate

Compiled by Our Staff From Dispatches

TOKYO — A group of government reports released Friday added to the gloom about the economic growth outlook for Japan.

Unemployment rose in November, the data showed, while retail sales, construction orders and industrial production declined.

One small bright spot was the sixth consecutive month of year-on-year gains in housing starts, but analysts said there were technical problems with the figures. "Housing starts are usually a good leading indicator," said an analyst at a brokerage research institute. "But rising private and rental housing starts skewed the data. Still-falling condominium starts reflect the real property market."

Housing starts rose 8.2 percent in November from a year earlier. Construction of private homes rose 2.5 percent, and rental properties zoomed 1.6 percent, reflecting planned tax credits. Condominium starts, however, fell 14.4 percent.

"The most important thing will be for fiscal stimulus," said Matthew Berlow, an economist for Crédit Lyonnais. "An easing of taxation is one thing that would get demand moving again."

Orders received by 50 major construction companies fell 8.1 percent from a year ago, the eighth monthly drop.

Industrial production fell 8.0 percent from a year earlier, the 14th straight monthly fall. "It's difficult to think that production will decline further," said Koichi Yoshimoto, a ministry official who briefed reporters. "Manufacturers are expecting 1.6 percent growth in January, but this may be over-optimistic."

In the retail report, sales at Japan's major department stores and supermarkets fell 3.2 percent from a year earlier, the sixth consecutive month of year-on-year decline.

Japan's seasonally adjusted unemployment rate rose to 2.3 percent, the highest level since May 1989, as the jobs-to-applicants ratio fell to 0.93, meaning there were 93 job offers for each 100 applicants.

In a private-sector report, the Japan Automobile Manufacturers Association said Friday that exports were slow in November because of recessions abroad.

The association said Japan's exports of cars, trucks and buses totaled 426,585, down 11.6 percent from a year before and down 9.3 percent from October. Exports to Asia rose but were outweighed by drops in sales to Europe and the United States.

In a report published Thursday, the government's Economic Planning Agency said the country's listless economy would not recover during the second half of fiscal 1992, which ends March 31, 1993.

The stagnant Japanese economy is expected to recover in the latter half of next year, the planning agency said. Its report, "Japanese Economy in 1992 in Retrospect," corrected the government agency's estimate in July that the Japanese economy would bottom out by the end of March 1993.

The government now expects Japan's economy to grow just 1.6 percent in fiscal 1992, which ends March 31. But it hopes the 10.7 trillion yen ($86.43 billion) stimulative package announced in August and the 72.4 trillion yen draft budget for fiscal 1993 will speed up growth to 3.3 percent next year.

Private economists have forecast 2.7 to 2.8 percent growth for the coming fiscal year. Some have urged the central bank to slash interest rates and the government to draw up another stimulative package totaling tens of billions of dollars.

(Reuters, UPI, AFP, Bloomberg)

■ Foreign Aid Increase

The Japanese government is to boost its economic aid to developing countries by 6.5 percent, to 1.01 trillion yen, in fiscal 1993, officials said Friday, news agencies reported. All of the increased aid will be accounted for by grants.

It will be the first time for Japanese development assistance to top one trillion yen, although the 6.5 percent rise from the current fiscal year is smaller than the 7.8 percent expansion in the fiscal 1992 aid budget. *(Reuters, AFP)*

ECONOMIC SCENE

Heavy Taxes on Cigarettes Would Lighten U.S. Deficit

By Peter Passell
New York Times Service

NEW YORK — Message to Bill Clinton: Looking for an easy $40 billion to $50 billion a year to pay for expanded health-insurance coverage, or perhaps all those ambitious plans to increase productivity? Look again at tobacco taxes.

That is what a coalition of antismoking groups led by the American Medical Association is likely to advise the president-elect when it meets next month in Washington. And while the economic case for a radical increase in tobacco levies — say, to the Canadian level of more than $3 a pack — is problematic, the politics and, arguably, the morality are alluring. "It's a case of doing well by doing good," concludes Kenneth Warner, an economist at the University of Michigan's School of Public Health.

'It's a case of doing well by doing good.'

Why a monster tobacco tax? Start with the money. The Advocacy Institute, a nonprofit lobbying group in Washington, estimated that adding $2 a pack on top of the 46-cent average tax collected in 1991 would bring in $35 billion a year. And while the tobacco industry is obviously prepared to fight, the success of big tax initiatives in California and Massachusetts in recent years suggest its power is on the wane.

Then, too, there is the fact that tobacco now is subject to relatively light taxes. The average retail price has tripled since 1979, topping $1.80 a pack. But Jeffrey Harris, a doctor and an economist at the Massachusetts Institute of Technology, noted that only about 25 cents of the increase went to state and federal coffers. The rest was pocketed by manufacturers and wholesalers, as competition within the tobacco industry apparently failed to check a stampede for higher profits.

Were revenue the only consideration, it would be just as effective to tax bread. What makes tobacco different, of course, is that it is a health hazard. And in both the California and Massachusetts tax initiatives, much was made of the financial burden smokers place on others.

This "externalities" argument is not clear-cut. Smokers do get sicker earlier than nonsmokers: Tom Hodgson, the chief economist at the National Center for Health Statistics, estimated that smoking would add $500 billion to the current generation's health-insurance

See SMOKE, Page 11

Crédit Lyonnais to Get Carolco Pictures Stake

By Calvin Sims
New York Times Service

LOS ANGELES — Crédit Lyonnais, the French state-owned bank that is a reluctant Hollywood studio owner, is expected to take a preferred stake in Carolco Pictures Inc. as part of a capital infusion that is meant to allow the company to resume making movies at a rate of up to six films a year.

Carolco announced an agreement Thursday with Metro-Goldwyn-Mayer Inc., owned by the French bank, and its three big overseas investors to help it restructure its debts with a $120 million infusion. MGM will get distribution rights to films by Carolco, which has made such popular movies as "Terminator 2: Judgment Day" and "Basic Instinct."

The deal is subject to several conditions, including approval of Crédit Lyonnais, which is owed $42 million. The bank has invested more than $2 billion in MGM, which it took over after forcing out Giancarlo Parretti, who defaulted on loans from Crédit Lyonnais that financed his purchase of the studio.

The agreement calls for MGM to provide Carolco with $60 million in exchange for $30 million of new preferred stock and $30 million of subordinated notes. MGM will gain distribution rights to Carolco's films for five years when a distribution agreement with Tri-Star Pictures expires on Jan. 1, 1994.

Carolco's three strategic investors will supply an additional $60 million under the agreement in return for new preferred stock in the company. The investors are Le Studio Canal Plus, the French pay-television company; Pioneer Electronic Corp. of Japan; and RCS Video Services International, an Italian media company.

In recent years, Carolco has run up debts with lavish spending on big-budget action movies intended to have appeal abroad as well as in the United States. The company has been trying to pay down its borrowings, selling receivables and assets to stay alive. In renegotiating loans last month, Carolco said that if it could not raise additional capital, it might have to file for bankruptcy-court protection.

Doug Lowell, an entertainment analyst for Rockefeller, Rothschild & Steele, an investment firm based in Beverly Hills, said the restructuring was a smart move on the part of Crédit Lyonnais. "Carolco gets to make movies again, and MGM stands to gain from the potentially lucrative distribution agreement," Mr. Lowell said.

CURRENCY & INTEREST RATES

Cross Rates — Dec. 24

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam					Not Available						
Brussels	32.45	50.01	29.56	6.033	2.2972 °	19.2825	——	22.92	0.2653	25.91	29.10 °
Frankfurt						Closed					
London (a)	1.534	——	2.4378	0.3229	2.174.00	2.743	58.155	2.2822	189.585	1.9278	172.40
Madrid						Closed					
Milan	1,426.00	2,185.00	895.75	262.50	——	996.65	43.582	989.25	11.538	1,122.60	12.645
New York (b)	——	1.5275 a	1.5995	5.4575	1,428.00	1.7980	72.075	1.4495	122.945	1.2638	113.30
Paris	5.479	8.32	3.4111	——	0.3897 °	3.8552	0.1659	3.2736	4.3851 °	4.4228	4.87 °
Tokyo	123.85	188.69	77.49	22.66	8.869	68.89	2.7715	88.59	——	98.39	1.0949
Toronto	1.2589	1.9274	0.7892	0.2312	0.0884 °	0.7002	0.0282 °	0.8707	1.016 °	——	1.112 °
Zurich	1.438	2.2862	0.9044	0.2649	0.1011 °	0.883	0.3598 °	——	1.1634 °	1.1422	1.2742 °
1 ECU	1.2302	0.8827	1.958	6.4787	1,753.26	2.2825	48.261	1.7782	152.297	1.5498	138.849
1 SDR	1.3952	0.9036	N.Q.	7.3282	N.Q.	2.48	45.3338	1.9933	171.348	N.A.	N.Q.

Closings in Amsterdam, London, New York and Zurich. Fixings in other centers: Toronto rates at 12 p.m. Tokyo rates from Dec. 25.
a: To buy one pound; b: To buy one dollar; °: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9761	Greek drac.	212.55	Mex. peso	3121.00	S. Afr. rand	3.017
Austral. $	1.4472	Hong Kong $	7.7395	N. Zealand $	1.9406	S. Kor. won	788.20
Austr. schil.	11.24	Hung. forint	81.59	Norw. krone	6.7545	Swed. krona	7.941
Brazil cruz.	11271.	Indian rupee	28.902	Phil. peso	24.10	Taiwan $	25.44
Chinese yuan	5.7055	Indo. rupiah	2061.50	Polish zloty	14917.	Thai baht	25.45
Czech koruna	27.76	Irish £	0.6033	Port. escudo	143.00	Turkish lira	8408.00
Danish krone	6.1365	Israeli shek.	2.6427	Russian ruble	414.50	UAE dirham	3.6727
Egypt. pound	3.3245	Kuwaiti dinar	0.2996	Saudi riyal	3.7495	Venez. bolív.	79.28
Fin. markka	5.2534	Malay. ring.	2.572	Sing. $	1.633		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5185	1.5139	1.5092	Canadian dollar	1.2648	1.2683	1.2714
Deutsche mark	1.4888	1.4820	1.4799	Japanese yen	122.82	123.04	123.85
Swiss franc	1.4830	1.4836	1.4887				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits — Dec. 24

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 month	3 ⅛-3 ⅜	8⅞-9	6½-6⅝	7-7⅛	10-12	3⅜-3 ⅝	10⅛-10⅜
3 months	3⅛-3½	8 ⅛-8 ⅜	6⅛-6¼	7⅛-7 ⅜	10-12	3⅜-3 ⅝	10½-10⅝
6 months	3 ⅜-3 ⅝	8 ⅛-8 ⅜	5⅞-6	6⅞-7	9½-11	3 ⅝-3⅝	10-10⅛
1 year	3 ⅝-4 ⅛	7⅝-7⅞	5 ⅞-5 ⅝	6¼-6⅜	8½-10	3⅝-3 ⅞	9⅛-9¼

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

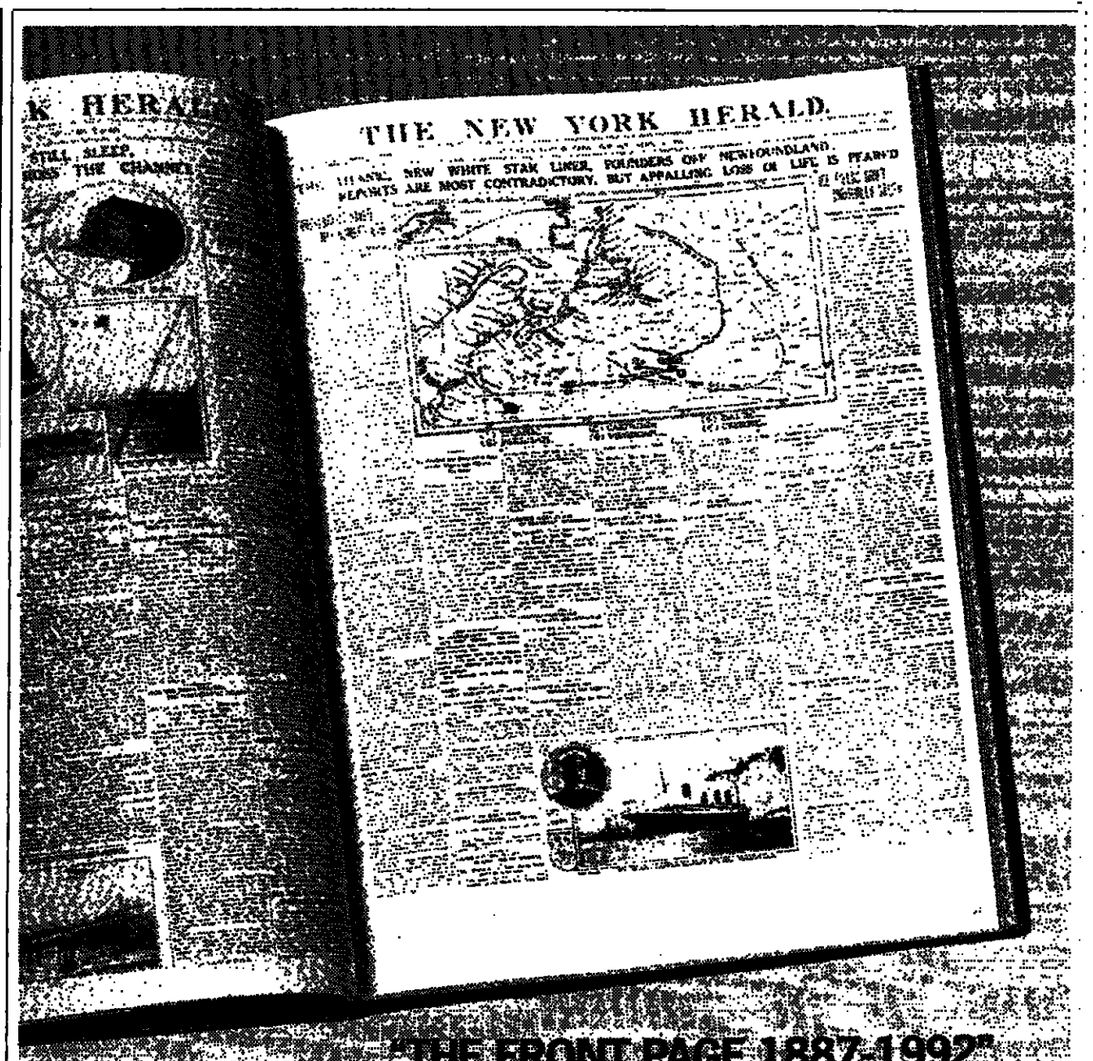
Key Money Rates

United States	Close	Prev.	British		
Discount rate	3.00	3.00	Bank base rate	7.00	7.00
Prime rate	6.00	6.00	Call money	n.a.	6⅜
Federal funds	n.a.	4.09	1-month interbank	6⅜	7 ⅛
3-month CDs	3.04	3.04	3-month interbank	7¼	7 ⅛
Comm. paper 180 days	3.50	3.52	6-month interbank	7 ⅛	7 ⅛
3-month Treasury bill	3.16	3.16	10-year Gilt	8.29	8.25
1-year Treasury bill	3.46	3.46	France		
2-year Treasury note	4.62	4.64	Intervention rate	9.10	9.10
5-year Treasury note	6.03	6.02	Call money	9 ⅝	10.00
7-year Treasury note	6.37	6.37	1-month interbank	10⅛	10⅛
10-year Treasury note	6.67	6.66	3-month interbank	11.00	10 ⅝
30-year Treasury bond	7.36	7.35	6-month interbank	n.a.	10⅛
Merrill Lynch 30 day Ready asset	2.86	2.86	10-year OAT	n.a.	8.11
Japan			*Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Greenwell Montagu, Crédit Lyonnais.*		
Discount rate	3¼	3¼			
Call money	3 ⅛	3 ⅛			
1-month interbank	3 ⅛	3 ⅛			
3-month interbank	3⅛	3 ⅛			
6-month interbank	3 ⅛	3 ⅛			
10-year Government bond	4.80	4.83			
Germany					
Lombard rate	9½	9½			
Call money	8.85	8.85			
1-month interbank	8.85	9.15			
3-month interbank	8.85	9.05			
6-month interbank	n.a.	8.60			
10-year Bund	n.a.	7.21			

Gold

	A.M.	P.M.	Ch'ge
Zurich	332.90	Closed	
London	332.90	333.25	+0.25
New York	333.30	333.40	+0.50

U.S. dollars per ounce. London official fixings: Zurich and New York opening and closing prices: New York Comex.
Source: Reuters.



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MARKET DIARY

Mark Moves Lower As Dollar Gains

Compiled by Our Staff From Dispatches

TOKYO — The Deutsche mark lost strength in light trading Friday in Tokyo, the only major foreign-exchange market open on Christmas Day.

The dollar rose to 1.5980 DM from 1.5910 DM at the Thursday close, although it slipped to 123.65 yen from 123.67 on Thursday.

Foreign Exchange

A currency dealer with Chemical Bank in Tokyo said there was some dollar buying by Japanese banks, but trading remained quiet as many overseas financial markets were closed for the Christmas holiday.

Observers noted the dollar has been making gains against the mark. "The mark is showing a softer side, finally succumbing to the last few weeks' dollar bullishness," said John Lilley, currency analyst at MMS International.

The mark has been undercut by comments on Tuesday from Helmut Schlesinger, the Bundesbank president. He implied that German interest-rate cuts might be forthcoming in the near-term, which would be a relaxation of the central bank's monetary policy in its campaign against inflation.

An interest-rate cut by the Bank of Italy on Tuesday also brightened the outlook for the dollar. Italy, which has withdrawn the lira from the European Monetary System's exchange-rate mechanism, is seeking to boost its economy.

The mark's weakening was also apparent against the Japanese currency. It fell to 77.38 yen from 77.73 on Thursday.

While currency traders are pondering the likelihood of a Bundesbank rate cut, a similar Japanese move is deemed unlikely.

"It is difficult to see any reason why the Bank of Japan should cut its discount rate at the end of this year like it did last year," a money trader said.

(Bloomberg, Reuters, UPI, AP)

Traditional Favorites Lead Wall Street Rally

Compiled by Our Staff From Dispatches

NEW YORK — Bargain-hunting among blue-chip issues led Wall Street stocks higher on Thursday, with the market's sometime bellwether IBM providing a lift.

A rise in AT&T also boosted sentiment. The market was closed Friday for Christmas, and trading ended at 2 P.M. on Thursday in advance of the holiday.

The Dow Jones industrial average climbed 12.70 points, to 3,326.24. Advancing issues topped decliners

N.Y. Stocks

by a 4-3 ration on the New York Stock Exchange, where volume was just 95.17 million shares, down from 227.98 million on Wednesday.

"Stocks usually rise the day before Christmas, and today was no different," said Daniel Marciano, senior vice president in charge of equity trading at Dillon, Read & Co. The stock market has risen about 70 percent of the time on Dec. 24 since 1945.

International Business Machines Corp. gained 1½ to 52¾ after the recent sell-off that took the computer maker to a 17-year low, while American Telephone & Telegraph Co., trading ex-dividend, climbed 1½ to 52⅞. AT&T advanced after the company said it would increase service charges and sell its Unix computer-operating system to Novell Inc. for $350 million.

"IBM and AT&T are two key stocks for the market," Mr. Marciano said. "When they go up, the market usually follows."

Investors ignored a report that the number of Americans filing first-time unemployment claims increased by 12,000, to 360,000, in the week ended Dec. 12. The rise in jobless claims, the second weekly increase in a row, was unexpected.

"The economy is slowly recovering, inflation is under control and interest rates are down," said Barry Berman, head trader at Robert W. Baird & Co. "That's a good combination for stocks," he said.

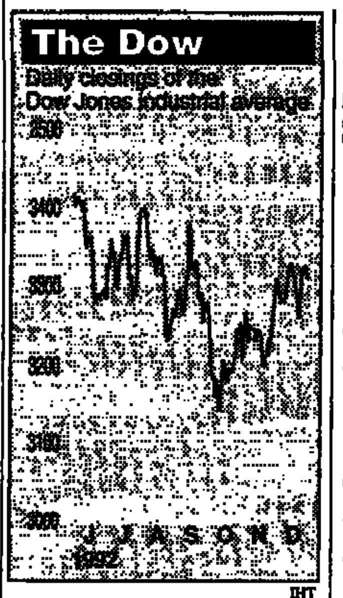
Glaxo Holdings was the most-active New York Stock Exchange issue, easing ⅛ to 22¾ on lingering concerns about the company's earnings outlook. An analyst at Smith Barney, Harris Upham & Co. issued a critical report on the pharmaceutical group. In the report, Christina Heuer said worldwide prescription sales are eroding and expansion in profit margins is stalled.

Other drug companies also were lower. Merck & Co. fell ¼ to 44⅜, SmithKline Beecham declined 1 to 37⅞, Schering-Plough fell ½ to 64⅞, Warner-Lambert declined ⅜ to 68⅜, and American Home Products Corp. slid ½ to 69½.

Bristol-Myers Squibb Co. rose ¾ to 68⅛. A jury order Bristol-Myers to pay $25 million to a woman who claimed she was left sick and disfigured by ruptured silicone gel breast implants. She had been seeking $64.3 million in damages.

In over-the-counter activity, Novell was the most-active issue, rebounding 1⅜ to 27½ after a three-day slump. *(Bloomberg, UPI)*

Via Associated Press Dec. 24



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Glaxo	25019	23⅛	21¾	22¾	— ⅛
TucsEP	20296	2½	2⅜	2½	
AT&T	18881	52⅞	51½	52¾	+1½
IBM	17846	53	51¼	52⅞	+1⅜
BrMySq	14482	68½	66⅜	67⅞	+ ½
Merck s	12543	45⅛	44½	44⅜	— ¼
RJR Nab	11220	8½	8⅜	8½	
Boeing	11172	39⅜	38⅝	39¼	+ ⅛
Citicorp	9397	20⅝	20½	20½	— ¼
PhilMr	8453	78	77¼	77½	+ ¼
AbtLab s	8208	31⅜	31	31¼	— ⅛
T2 Med	7367	21¼	20⅜	20⅜	—1½
Sprint	7191	25⅝	25½	25⅝	+ ¼
Cornin s	6907	36½	35¼	35⅝	— ½
GTE	6826	34⅜	33¾	34½	— ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
ICH	20855	3⅞	3½	3⅞	+ ¼
ChDevA	5559	5⅛	4⅞	5	+ ⅜
ExpLA	3815	1⅝	1⅛	1⅝	
Amdhl	3306	7⅜	7	7⅜	+ ¼
CtzFst	2348	5⅞	5⅜	5⅞	+ ⅜
Hilhav	2280	4⅛	3⅞	4	— ⅛
IvaxCo	1940	28⅜	27⅝	28⅛	— ⅛
TubMex	1823	5¾	5½	5½	— ¼
AMed	1661	12¼	11⅞	12¼	+ ¼
ViacB	1604	40	39¼	39¾	+ ¼
ENSCO	1547	1⅛	1	1	— ⅛
Epitope	1536	18½	16¾	18½	+1⅞
AExpl	1355	1⅞	1⅞	1⅞	
HlthPro	1265	8⅜	8¼	8⅜	+ ⅛
US Biosci	1243	10⅝	10¼	10½	+ ⅛

NYSE Diary

	Close	Prev.
Advanced	954	929
Declined	705	894
Unchanged	653	618
Total issues	2312	2441
New Highs	62	120
New Lows	23	24

Amex Diary

	Close	Prev.
Advanced	297	282
Declined	197	294
Unchanged	221	235
Total issues	715	811
New Highs	21	21
New Lows	8	13

NASDAQ Diary

	Close	Prev.
Advanced	1,291	1,147
Declined	986	1,272
Unchanged	1,952	1,549
Total issues	4,229	4,232

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3315.43	3339.48	3303.27	3326.24	+ 12.70
Trans	1443.97	1450.41	1434.70	1439.94	— 3.63
Util	223.71	224.65	222.96	223.84	+ 0.07
Comp	1208.22	1215.36	1202.81	1209.38	+ 1.58

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	512.75	511.13	512.75	+1.62
Transp.	366.88	365.40	365.58	—0.82
Utilities	162.03	160.75	160.91	—1.07
Finance	40.73	40.62	40.70	+0.03
SP 500	439.81	439.03	439.77	+0.74
SP 100	401.52	400.37	401.42	+1.03

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	241.23	240.94	241.23	+0.23
Industrials	295.98	295.51	295.98	+0.71
Transp.	214.81	214.57	214.57	—0.37
Utilities	106.22	105.99	106.00	—0.55
Finance	199.38	199.16	199.38	—0.01

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	666.04	662.77	665.88	+2.92
Industrials	712.31	708.16	712.06	+3.10
Finance	774.45	771.24	774.44	+3.53
Insurance	790.54	784.97	790.54	+4.74
Utilities	733.94	729.82	733.38	+3.60
Banks	525.20	522.23	524.48	+1.14
Transp.	626.91	623.37	626.51	+0.97

AMEX Stock Index

High	Low	Close	Ch'ge
394.17	392.38	394.17	+1.38

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	103.10	—0.20
10 Utilities	102.05	—0.04
10 Industrials	104.16	—0.35

Market Sales

NYSE 4 p.m. volume	95,170,000
NYSE prev. 4 p.m. volume	227,980,000
Amex 4 p.m. volume	9,986,940
Amex prev. 4 p.m. volume	18,919,915
NASDAQ 4 p.m. volume	106,262,700
NASDAQ prev. 4 p.m. volume	252,890,400
NYSE volume up	45,207,780
NYSE volume down	33,093,010
Amex volume up	5,927,440
Amex volume down	1,881,400
NASDAQ volume up	58,540,400
NASDAQ volume down	23,618,000

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Dec. 23	1,173,542	1,037,816	9,796
Dec. 22	936,552	1,092,363	8,567
Dec. 21	931,781	1,101,798	12,252
Dec. 18	1,101,287	1,143,161	45,674
Dec. 17	1,313,160	1,098,625	7,287

*Included in the sales figures.

S&P 100 Index Options

Dec. 24

Strike Price	Calls-Last Jan	Feb	Mar	Apr	Puts-Last Jan	Feb	Mar	Apr
350	—	—	—	—	⅛	—	—	—
355	—	—	—	—	⅛	⅛	—	—
360	—	—	—	—	⅛	¼	1⅛	—
365	—	—	—	—	⅜	⅜	1⅜	—
370	32	—	—	—	¼	1⅛	—	2⅞
375	27½	—	—	—	⅜	1⅛	—	—
380	22	—	24⅜	—	½	2	3⅛	4⅜
385	17¼	—	20⅜	—	⅝	2⅝	4⅛	—
390	12⅝	14⅜	16¼	—	1⅛	3½	5¼	6⅜
395	8⅝	11⅛	12⅝	—	2⅛	4⅝	6½	—
400	5	7⅜	10⅛	—	3⅜	6⅝	8½	10⅛
405	2½	5⅛	7⅛	—	6⅜	9	10⅜	—
410	1	3⅜	4⅞	6⅜	10	11⅛	—	—
415	⅛	1⅞	3⅛	—	—	—	—	—
420	⅛	1⅛	2	—	19⅝	—	—	3

Calls: total vol. 26,548; total open int. 295,895
Puts: total vol. 21,620; total open int. 274,680

	Dec 93	Dec 94	Dec 93	Dec 94
30	10⅛	—	⅛	—
32½	—	—	—	—
35	—	—	½	—
37½	4⅛	—	—	—
40	—	—	2⅜	3

Calls: total vol. 125; total open int. 7,038
Puts: total vol. 71; total open int. 59,740
Source: CBOE.

Tokyo Stocks Slip on Index Trading

Compiled by Our Staff From Dispatches

TOKYO — Stock prices fell slightly on Friday, with index-linked selling the most notable feature in light trading on Christmas Day.

The Nikkei average of 225 selected issues shed 91.81 points, or 0.52 percent, to 17,557.04 after losing 41.82 points Thursday. The broader-based Tokyo Stock Price Index, which lost 0.30 points Thursday, closed at 1,341.82, down 8.34 points.

Volume was estimated at 180 million shares, down from 231.3 million on Thursday, and declines led advances 586 to 337, with 213 issues unchanged.

Traders said the low volume left the market vulnerable to basket deals, however small, allowing institutional traders to dictate the direction of the index at the close.

"Just before the end, we had a small sell program," said Philippe Huber, trader at UBS Phillips & Drew International. "If we had had a buy program, we would probably have ended flat."

With most world financial markets closed for the holidays, participants had little news to trade on, leaving the Tokyo market swaying to the tune of the professional dealers and arbitragers.

Traders said they expected the market to rise next week, with some institutions window dressing ahead of book closings at year's end, although volume was likely to remain at low levels.

NTT fell 13,000 yen to 579,000 on profit-taking after surging Thursday as an asset reevaluation issue and top candidate for a new weighted average. Profit-taking hit other asset plays, with Mitsubishi Estate down 17 to 950 and Mitsui Fudosan 20 to 1,020. *(UPI, Reuters)*

■ Thai Stocks Advance

The Stock Exchange of Thailand index gained 3.11 points in moderate trading Friday to close the week at 872.11 points, news agencies reported from Bangkok.

"Technically, the market starts to show good signs since the index is moving up with increased trading volumes," said a broker at Ekachart Finance & Securities Co.

A generally favorable political climate contributed to the rise, a broker said. The main reason for the rise, however, was investors pushing up the index in order to take profits, he said.

"Some investors have been attempting to push prices up as much as possible, in order to cash in and settle bank overdraft accounts before the year's end," he said.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Mar	179.00	181.40	180.00	180.00	179.00	181.40
May	184.00	186.00	N.T.	N.T.	184.00	186.00
Aug	186.00	188.00	N.T.	N.T.	186.00	188.00
Oct	186.00	188.00	N.T.	N.T.	186.00	188.00
Dec	189.00	193.00	N.T.	N.T.	189.00	193.00
Mar	190.00	194.00	N.T.	N.T.	190.00	194.00
Est. Sales 14. Open int. n.a.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Dec	670	684	680	670	667	700
Mar	698	699	699	693	693	694
May	712	715	713	709	709	710
Jul	725	728	728	724	724	725
Sep	742	743	742	737	740	741
Dec	765	768	764	759	763	765
Mar	780	788	781	781	784	785
May	799	795	803	N.T.	800	802
Jul	814	810	818	N.T.	813	817
Sep	823	833	824	824	829	831
Est. Sales 2,239. Open int. n.a.						
COFFEE (FOX) Dollars per metric ton						
Jan	1036	1037	1038	1034	1037	1040
Mar	1054	1056	1058	1053	1060	1062
May	1017	1018	1020	1015	1023	1025
Jul	1001	1003	1007	1001	1006	1010
Sep	1006	1011	1011	1011	1008	1013
Nov	1012	1025	1017	1017	1017	1018
Jan	1029	1020	1037	N.T.	1025	1032
Est. Sales 644. Open int. n.a.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Mar	N.T.	N.T.	247.50	248.50	+ 0.82
May	N.T.	N.T.	249.00	251.00	+ 1.02
Aug	N.T.	N.T.	255.00	257.00	+ 1.02
Oct	N.T.	N.T.	241.00	244.00	+ 1.02
Dec	N.T.	N.T.	243.00	246.00	+ 0.32
Mar	N.T.	N.T.	245.00	248.00	+ 0.52
Est. sales 8. Prev. 31. Open int. 12,443.					

International Petroleum Exchange futures prices were not available for this edition due to problems of the source.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1229.50	1230.50	1227.00	1227.50
Forward	1254.00	1254.50	1250.00	1250.50
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1462.00	1463.00	1463.00	1463.50
Forward	1488.50	1489.00	1487.50	1488.00
LEAD Sterling per metric ton				
Spot	290.00	291.00	295.25	295.75
Forward	302.25	302.50	306.50	307.00
NICKEL Dollars per metric ton				
Spot	5830.00	5835.00	5825.00	5828.00
Forward	5904.00	5905.00	5895.00	5896.00
TIN Dollars per metric ton				
Spot	5790.00	5800.00	5795.00	5800.00
Forward	5840.00	5850.00	5860.00	5865.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1059.00	1060.00	1054.00	1054.50
Forward	1077.00	1077.50	1073.50	1074.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Mar	93.36	93.32	93.32	—0.04
Jun	93.62	93.60	93.62	+0.02
Sep	93.64	93.60	93.63	+0.01
Dec	93.36	93.33	93.36	+0.03
Mar	93.02	92.95	93.00	+0.05
Jun	92.62	92.60	92.64	+0.04
Sep	92.25	92.25	92.27	+0.02
Dec	92.10	92.10	92.10	Unch.
Mar	N.T.	N.T.	91.90	—0.04
Jun	N.T.	N.T.	91.80	—0.03
Est. volume: 2,509. Open interest: 213,773.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Mar	96.33	96.30	96.30	—0.04
Jun	95.91	95.87	95.88	—0.04
Sep	95.47	95.44	95.44	—0.06
Dec	94.88	94.84	94.84	—0.03
Mar	N.T.	N.T.	94.60	—0.04
Jun	N.T.	N.T.	94.24	—0.04
Sep	N.T.	N.T.	93.95	—0.04
Dec	N.T.	N.T.	93.54	—0.04
Est. volume: 1,438. Open interest: 18,512.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Mar	92.25	92.19	92.19	Unch.
Jun	92.95	92.92	92.94	+0.03
Sep	93.32	93.28	93.29	+0.02
Dec	93.44	93.41	93.44	+0.02
Mar	93.68	93.65	93.66	+0.01
Jun	93.60	93.60	93.60	+0.01
Sep	N.T.	N.T.	93.58	Unch.
Dec	N.T.	N.T.	93.52	+0.04

	High	Low	Close	Change
Mar	N.T.	N.T.	93.44	+0.04
Jun	N.T.	N.T.	93.44	+0.04
Est. volume: 6,229. Open interest: 367,294.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Dec	101-12	100-30	101-11	+0-17
Mar	100-18	99-31	100-17	+0-15
Jun	N.T.	N.T.	102-24	+0-15
Est. volume: 2,030. Open interest: 51,719.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Mar	92.64	92.52	92.57	+0.06
Jun	92.61	92.58	92.65	+0.10
Sep	N.T.	N.T.	92.80	+0.10
Est. volume: 2,047. Open interest: 136,857.				

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Mar	2884.0	2860.0	2866.0	—6.0
Jun	N.T.	N.T.	2888.0	—6.0
Est. volume: 1,156. Open interest: 42,049.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.558	0.557
Coffee, Braz., lb	n.a.	n.a.
Copper electrolytic, lb	1.132	1.129
Iron FOB, ton	213.00	213.00
Lead, lb	0.32	0.32
Silver, troy oz	n.a.	3.70
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	83.83	83.83
Tin, lb	n.a.	3.8213
Zinc, lb	0.51	0.51

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
China Fund	-	.05½	1-24	12-31
Resource Mtgm Cap	-	.35	1-29	12-31
EXTRA				
Glacier Bancorp	-	.12	1-22	1-7
INCREASED				
Glacier Bancorp	Q	.11	1-22	1-7
Laurel Bancorp	Q	.12	1-12	1-4
Montana Power	Q	.39½	1-29	1-8
INITIAL				
Fed One Svgs Bk	-	.18	1-12	12-31
PennCorp Finl Grp	-	.01	1-29	1-4
Sovereign Bncp	Q	.03½	2-16	1-4
SPECIAL				
Dearbank Corp	-	.30	1-15	1-8
Laurel Bancorp	-	.30	1-12	1-4
STOCK				
Sovereign Bancorp		.5PC	2-16	1-6
STOCK SPLIT				
Lake Shore Bancorp — 5-for-4				
USUAL				
Central Penn Finl	Q	.11	1-29	1-15
Comcast Corp Cl-A	Q	.03½	3-26	3-5
Comcast cl-A spl	Q	.03½	3-26	3-5
Emerging GermnFd	-	.16	1-18	12-31
FalconCable Sys un	Q	.21	2-15	12-31
Galveston Houston	Q	.01	1-29	1-8
Glatfelter (PH)	Q	.17½	2-1	1-15
Helco Corp	S	.07½	1-29	1-8
Home Port Bancorp	Q	.03	1-20	1-11
Horizon Bank	Q	.08	1-29	1-7
Interwest Svgs Bk	Q	.05	1-11	12-31
Lexington Svgs Bk	Q	.10	2-3	1-15
PublSvc Colorado	Q	.50	2-1	1-8
StrattonMonthly Div	M	.16	1-11	12-31
Washng Mutual Inv	-	.22	12-28	12-24

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

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U.S. / AT THE CLOSE

First Boston Leads in Merger Advice

NEW YORK (Bloomberg) — First Boston Corp., the U.S. securities unit of Switzerland's third-largest bank, and its affiliates in Europe and Asia were the leading advisers in mergers and acquisitions completed this year, according to a preliminary survey by IDD Information Services.

The data-base company said First Boston was an adviser in 78 completed transactions, valued at $26.6 billion. Morgan Stanley Group Inc. came next, advising on mergers worth $23.4 billion. Goldman, Sachs & Co., Merrill Lynch & Co. and S.G. Warburg rounded out the top five, IDD said Thursday.

The total value of mergers in 1992 declined to $216 billion from $225 billion in 1991, according to IDD. In 1990, the value of mergers totaled $314 billion, IDD said.

Lockheed Broaches Russian Venture

SUNNYVALE, California (UPI) — Lockheed Corp., seeking to become a leading player in the satellite business, is preparing to announce a major venture with the Russian Khrunichev weapons factory, a spokesman said.

The deal, announced Thursday is part of a plan by Lockheed's Space Systems Division to double its revenue, to $5 billion, over the next eight years. The division has about 8,500 employees and hopes to boost that by 2,500 by the year 2000, moving the employment level back to the 1987 figure.

Details of the Russian pact were not immediately available.

OTC Short Sales Slip but Stay High

NEW YORK (NYT) — The number of over-the-counter shares sold short and not yet covered fell slightly between mid-November and mid-December but remained at a relatively high level, the National Association of Securities Dealers said.

Short interest in all Nasdaq securities totaled 455.8 million shares in the period, down less than 1 percent from the previous period's level of 458 million, NASD said Thursday. But the number of companies in which shares were sold short in the period grew to 3,728 from 3,650.

In spite of the slight decrease, the most recent level reflects the record-breaking drives upward in short-interest levels throughout most of this year. The Nasdaq short-interest level is almost 22 percent higher than in April, when the record-setting trend began. Figures on interest in short-selling are a widely watched gauge of investor sentiment, since they reflect the activities of professional sellers who specialize in identifying companies they consider overvalued.

Time Runs American Express Titles

NEW YORK (NYT) — Time Inc. has agreed to assume management responsibility for American Express Co.'s two main magazines, the companies said.

The agreement, about which the magazine industry has been speculating for months, involved two American Express magazines, Travel & Leisure, with a circulation of 1.1 million, and Food & Wine, with a circulation of 803,000.

One question raised about the agreement, revealed Wednesday, involved the extent to which Time would have access to American Express data for renewing and selling subscriptions to its own magazines. Neither company would provide details.

Honeywell Chief of Finance Quits

CHICAGO (NYT) — Honeywell Inc. said that Christopher J. Steffen, its chief financial and administrative officer, had resigned to pursue other interests.

The 50-year-old executive, whose departure on Wednesday was unexpected, was popular on Wall Street and was credited with playing a major role in restructuring the Minneapolis-based company into a more profitable concern.

News of his resignation sent Honeywell's stock tumbling, closing down $1.25 a share on Thursday, to $32.25, with more than 1.3 million shares traded on the New York Stock Exchange.

U.S. FUTURES

Via Associated Press Dec. 24

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.18½	3.19½	Mar	3.58½	3.59½	3.57	3.58½	—.00¼
3.75	3.18	May	3.42½	3.43½	3.41½	3.43	+.01
3.72	3.02	Jul	3.17	3.19	3.17	3.18½	+.01¼
3.55	3.07½	Sep	3.23½	3.24	3.23½	3.24	+.01¾
3.60	3.17½	Dec	3.33	3.34½	3.33	3.34½	+.01¾
3.34	3.34	Mar				3.39½	+.01½
3.27	3.13	Jul				3.16½	+.02½
Est. Sales 5,000 Prev. Sales 6,887							
Prev. Day Open Int. 46,592 up 682							

WHEAT (KCBT) 5,000 bu minimum- dollars per bushel

Mar	3.50¾	3.51¼	3.50	3.50¼	
May	3.32¾	3.33¼	3.31¾	3.33 +	.01½
Jul	3.16¾	3.17	3.16	3.16¾ +	.01
Sep				3.20½ +	.00½
Dec				3.28¾ +	.00½
Est Sales 1,382	Prv Sales 2,727	Prv Open Int 26,225			Chg. —112

Season High	Season Low		Open	High	Low	Close	Chg.
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.81¼	2.14½	Mar	2.20	2.20¼	2.19½	2.19¾	
2.84¾	2.22	May	2.26½	2.27¼	2.26½	2.26½	—.00½
2.86	2.26¼	Jul	2.32¼	2.33	2.32	2.32½	
2.71½	2.30½	Sep	2.36¾	2.37	2.36½	2.36¾	
2.68½	2.33¾	Dec	2.41¾	2.42	2.41½	2.41¾	
2.54¾	2.40½	Mar	2.48½	2.48¾	2.48½	2.48¾	
2.53¼	2.52	May	2.52¾	2.53¼	2.52¾	2.53¼	
Est. Sales 18,000 Prev. Sales 18,454							
Prev. Day Open Int. 242,135 up 314							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.59	5.32	Jan	5.75½	5.77¾	5.75½	5.77¼	+.01¾
6.64	5.38¾	Mar	5.81½	5.82½	5.80½	5.82¼	+.01½
6.68½	5.46	May	5.87	5.88¾	5.86½	5.88¼	+.02
6.71	5.51	Jul	5.93½	5.94¾	5.92¾	5.94½	+.01¼
6.39½	5.51	Aug	5.95½	5.96½	5.95½	5.96¼	+.01¼
6.15	5.54	Sep	5.94	5.95	5.94	5.95	+.01¼
6.20	5.55½	Nov	5.98	5.99	5.98	5.98½	+.01¼
6.08	5.76½	Jan	6.06¾	6.06¾	6.06¾	6.06¾	+.01¼
		Mar				6.14½	+.00¼
5.99	5.99	Nov		6.04	5.98	6.04½	+.00½
Est. Sales 17,000 Prev. Sales 25,149							
Prev. Day Open Int. 115,859 up 519							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
209.00	176.90	Jan	188.50	189.50	188.30	189.40	+1.00
210.00	178.30	Mar	187.00	188.10	186.90	188.00	+.90
210.00	179.40	May	187.30	187.90	187.00	187.60	+.30
208.00	181.30	Jul	188.50	189.20	188.40	189.00	+.40
193.50	182.20	Aug	189.30	190.00	189.30	189.70	+.40
193.50	183.10	Sep	190.70	190.70	190.40	190.40	+.30
194.50	184.50	Oct	191.80	192.50	191.80	192.30	+.30
193.50	187.20	Dec	193.50	194.00	193.50	194.00	+.50
Est. Sales 7,500 Prev. Sales 8,853							
Prev. Day Open Int. 73,603 up 305							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
23.00	18.28	Jan	20.87	20.92	20.75	20.84	—.03
23.20	18.55	Mar	21.14	21.16	20.99	21.06	—.06
23.50	18.85	May	21.34	21.34	21.17	21.23	—.09
23.20	19.15	Jul	21.50	21.50	21.31	21.36	—.12
23.25	19.27	Aug	21.50	21.50	21.37	.50	—20.99
23.25	19.40	Sep	21.55	21.55	21.41	21.41	—.11
21.45	19.56	Oct	21.50	21.50	21.41	21.41	—.10
23.45	19.76	Dec	21.53	21.53	21.50	21.50	—.10
Est. Sales 5,000 Prev. Sales 15,948							
Prev. Day Open Int.							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
76.57	68.10	Feb	74.25	74.42	74.20	74.37	+.12
76.15	69.25	Apr	73.90	74.07	73.87	74.02	+.02
72.65	66.80	Jun	72.35	72.47	72.30	72.42	+.05
71.12	67.30	Aug	70.65	70.75	70.65	70.75	+.05
71.55	67.95	Oct	71.15	71.22	71.10	71.10	—.05
71.85	68.10	Dec	71.80	71.85	71.75	71.85	+.10
71.50	71.50	Feb	71.50	71.50	71.50	71.50	
Est. Sales 2,677 Prev. Sales 7,894							
Prev. Day Open Int. 65,035 up 441							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
86.55	73.57	Jan	84.25	84.45	84.20	84.40	+.13
84.65	75.00	Mar	84.35	84.35	84.35	84.40	
83.50	74.80	Apr	83.27	83.40	83.22	83.40	
84.10	74.35	May	82.15	82.22	82.05	82.15	
86.10	72.65	Aug	81.12	81.15	81.10	81.10	
80.70	76.02	Sep	80.40	80.40	80.30	80.40	
80.50	75.90	Oct	80.17	80.20	80.17	80.17	
80.50	77.45	Nov	80.00	80.00	79.92	80.00	
Est. Sales 223 Prev. Sales 1,143							
Prev. Day Open Int. 8,748 off 61							
HOGS (CME) 40,000 lbs.- cents per lb.							
47.25	39.50	Feb	43.50	43.72	43.35	43.67	+.12
43.50	38.32	Apr	42.28	42.45	42.28	42.30	+.05
48.05	44.00	Jun	46.85	47.30	46.85	47.12	+.35
48.00	43.95	Jul	46.32	46.70	46.32	46.70	+.38
45.40	42.70	Aug	45.35	45.45	45.30	45.35	+.15
41.50	39.70	Oct	41.25	41.50	41.25	41.50	+.25
		Feb	43.00	43.00	42.70	42.90	
Est. Sales 2,362 Prev. Sales 5,277							
Prev. Day Open Int. 27,411 off 1,246							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
49.30	35.90	Feb	37.65	37.77	37.27	37.45	—.32
49.00	35.55	Mar	37.80	37.85	37.40	37.57	—.32
50.50	36.35	May	38.97	38.97	38.60	38.75	—.27
48.70	36.50	Jul	39.25	39.40	39.00	39.27	—.33
45.90	36.80	Aug	37.90	37.98	37.52	37.52	—.43
Est. Sales 1,250 Prev. Sales 1,554							
Prev. Day Open Int. 11,214 up 72							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
94.75	51.65	Mar	77.55	78.50	76.75	78.10	—.45
96.50	55.00	May	80.80	82.50	80.70	82.35	—.15
88.30	57.75	Jul	82.10	83.80	82.10	83.75	—.20
89.75	59.70	Sep	83.90	85.20	83.50	85.15	+.10
91.00	63.00	Dec	86.00	87.25	85.90	86.95	—.85
90.75	71.50	Mar				88.25	
90.50	90.50	May				89.50	
Est. Sales 5,748 Prev. Sales 13,481							
Prev. Day Open Int. 59,321 off 240							
SUGAR-WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
9.98	8.12	Mar	8.19	8.21	8.18	8.21	+.02
9.88	8.29	May	8.31	8.34	8.31	8.34	+.02
9.78	8.40	Jul	8.43	8.45	8.43	8.45	+.02
9.60	8.45	Oct	8.48	8.52	8.48	8.52	+.04
9.20	8.57	Mar	8.62	8.62	8.62	8.62	+.04
9.04	8.60	May				8.72	+.04
Est. Sales 1,349 Prev. Sales 2,951							
Prev. Day Open Int. 93,673 off 654							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1529	923	Mar	960	974	960	968	+2
1518	955	May	985	1000	985	998	+7
1520	980	Jul	1020	1022	1020	1017	+3
1526	1005	Sep	1040	1040	1040	1040	
1500	1040	Dec		1067	1069	1073	+2
1495	1072	Mar	1110	1110	1110	1110	+4
1368	1098	May	1130	1130	1130	1130	+2
1270	1115	Jul	1155	1155	1155	1155	+6
1280	1138	Sep	1175	1175	1175	1175	+5
Est. Sales 1,262 Prev. Sales 6,146							
Prev. Day Open Int. 61,758 up 167							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
143.00	90.35	Jan	93.00	93.40	92.25	93.30	—.45
145.00	92.50	Mar	97.00	97.75	96.50	96.90	—1.45
122.75	92.50	May	99.25	99.50	98.60	99.25	—1.50
120.00	92.50	Jul	99.50	100.05	99.50	100.05	—1.25
116.50	92.40	Sep	98.75	98.75	98.75	98.75	—1.50
116.75	92.00	Nov	101.00	101.00	100.05	98.75	—2.30
117.00	92.00	Jan				98.75	—2.30
109.00	93.00	Mar	101.45	101.45	101.45	98.75	—3.40
108.00	100.00	May				98.75	—3.40
Est. Sales 1,300 Prev. Sales 2,427							
Prev. Day Open Int. 17,839 up 196							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
116.40	91.60	Dec	100.75	101.30	100.75	101.30	+1.25
115.20	2.50	Jan	101.00	101.40	101.00	101.60	+1.25
114.00	95.50	Feb				102.00	+1.25
114.80	92.80	Mar	101.60	102.50	101.60	102.40	+1.25
111.80	96.40	Apr				102.70	+1.25
112.10	93.70	May	102.55	103.00	102.55	103.00	+1.25
109.60	97.25	Jun	102.70	102.70	102.70	103.25	+1.25
110.70	95.80	Jul	102.80	102.95	102.80	103.45	+1.20
110.30	95.70	Aug				103.65	+1.20
110.10	95.80	Sep				103.80	+1.15
104.00	99.20	Oct				103.95	+1.15
114.45	94.25	Nov				104.05	+1.15
109.20	97.00	Dec	103.60	103.60	103.60	104.15	+1.10
102.45	102.40	Jan				104.85	+1.10
107.50	99.15	Mar				104.20	+1.10
99.90	99.90	May				104.20	+1.10
		Jul				104.20	+1.10
		Sep				104.20	+1.10
Est. Sales 1,500 Prev. Sales 5,639							
Prev. Day Open Int. 45,934 off 218							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
507.0	363.0	Dec	367.5	367.5	367.5	366.9	—1.9
505.0	364.5	Jan				367.0	—1.9
377.0	375.0	Feb				368.4	—2.0
513.0	366.0	Mar	370.0	371.5	369.0	369.3	—2.0
473.0	370.0	May	373.0	373.0	372.0	372.0	—2.0
470.5	372.0	Jul	376.0	377.0	374.5	374.6	—2.0
469.0	375.0	Sep				377.4	—2.0
462.0	380.0	Dec	384.0	384.0	381.8	381.8	—2.0
447.0	382.0	Jan				383.0	—2.0
450.5	388.0	Mar	388.0	388.0	388.0	386.8	—2.0
435.0	390.0	May				390.5	—2.0
406.0	396.5	Jul	396.5	396.5	396.5	394.5	—2.0
400.5	400.0	Sep				398.5	—2.0
Est. Sales 4,000 Prev. Sales 8,224							
Prev. Day Open Int. 73,599 up 1,613							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
394.00	339.00	Jan				358.70	
409.90	340.00	Apr				357.40	
389.50	340.00	Jul				356.40	
371.00	351.00	Oct				355.40	
		Jan				355.40	
Est. Sales Prev. Sales 1,968							
Prev. Day Open Int.							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
406.80	328.90	Dec	332.20	333.10	332.30	332.90	
		Jan				333.00	
404.20	330.50	Feb	333.20	333.50	333.00	333.40	
410.00	332.00	Apr	334.30	334.60	334.30	334.90	
418.50	333.10	Jun	336.00	336.00	335.70	335.90	—.10
426.50	332.50	Aug				337.40	—.10
395.00	339.70	Oct				339.00	—.20
383.00	338.60	Dec	341.20	341.30	340.90	340.80	—.20
376.80	343.00	Feb				342.90	—.20
360.00	348.00	Apr				345.10	—.20
383.50	348.00	Jun				347.40	—.20
395.50	342.50	Aug				349.90	—.20
		Oct				352.50	—.20
Est. Sales 6,500 Prev. Sales 14,859							
Prev. Day Open Int. 104,561 up 725							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
97.39	94.40	Mar	96.74	96.76	96.73	96.75	
97.13	94.95	Jun	96.42	96.43	96.42	96.43	
96.66	95.02	Sep				96.12	+.02
96.18	95.13	Dec	95.65	95.68	95.65	95.68	+.02
Est. Sales 675 Prev. Sales 2,237							
Prev. Day Open Int. 27,366 off 407							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
109-16	105-15	Mar	106-30	107-01	106-28	107-00	
106-07	104-22	Jun				106-02	
104-02	103-25	Sep				105-05	
Est. Sales 2,300 Prev. Sales 15,548							
Prev. Day Open Int. 128,333 up 1,292							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
109-3	97-26	Mar	106-30	107-3	106-28	106-30	—4
107-7	100-14	Jun	105-22	105-23	105-22	105-22	—3
104-25	102-8	Sep				104-12	—3
103-9	101-20	Dec				103-7	
Est. Sales 5,000 Prev. Sales 30,752							
Prev. Day Open Int. 185,731 off 4,808							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
105-28	90-16	Mar	105-4	105-7	104-29	105-4	—3
104-14	90-22	Jun	104	104	103-25	103-31	—3
103-9	90	Sep				102-27	—3
102-7	92-8	Dec				101-25	—3
101-1	91	Mar	100-24	100-25	100-24	100-25	—3
99-2	91-6	Jun	99-29	99-29	99-27	99-29	—3
99-15	90-12	Sep	99-3	99-7	99-2	99-2	—3
98-19	91-19	Dec				98-10	—3
		Mar				97-21	—3
		Jun				97-2	—3
Est. Sales 25,000 Prev. Sales 132,282							
Prev. Day Open Int. 315,562 off 3,069							
MUNICIPAL BONDS (CBT) $1000x index- pts & 32nds of 100 pct							
97-30	92-2	Mar	97-3	97-7	96-30	97-6	+3
96-17	91-16	Jun				96-15	+3
		Sep				96-1	
Est. Sales 1,000 Prev. Sales 976							
Prev. Day Open Int. 21,884 off 61							
EURODOLLARS (IMM) $1 million- pts of 100 pct.							
96.78	93.56	Mar	96.33	96.34	96.30	96.33	
96.48	90.27	Jun	95.90	95.92	95.88	95.91	
96.31	90.27	Sep	95.48	95.51	95.46	95.50	+.01
95.77	90.22	Dec	94.88	94.88	94.84	94.88	+.02
95.46	90.28	Mar	94.60	94.67	94.59	94.67	+72.37
95.06	90.40	Jun	94.34	94.31	94.23	94.30	+.04
94.73	90.36	Sep	93.93	94.00	93.93	93.99	+.03
94.29	90.71	Dec	93.52	93.58	93.52	93.57	+.02
94.15	90.24	Mar	93.42	93.48	93.42	93.47	+.01
93.87	90.71	Jun	93.18	93.24	93.18	93.22	
93.66	91.31	Sep	92.98	93.05	92.97	93.03	
93.32	91.38	Dec	92.70	92.76	92.70	92.74	
93.28	90.73	Mar	92.69	92.72	92.68	92.70	—.01
93.11	91.89	Jun	92.50	92.53	92.47	92.51	—.01
92.91	92.10	Sep	92.36	92.41	92.37	92.39	—.01
92.25	92.12	Dec	92.18	92.21	92.17	92.19	—.01
Est. Sales 60,762 Prev. Sales 138,261							
Prev. Day Open Int. 1,316,304 off 5,314							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9400	1.4900	Mar	1.5154	1.5230	1.5096	1.5130	+10
1.7170	1.4810	Jun	1.5070	1.5070	1.5060	1.5018	+10
1.5400	1.4890	Sep				1.4930	+10
Est. Sales 3,024 Prev. Sales 5,237							
Prev. Day Open Int. 23,517 up 857							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8385	.7610	Mar	.7886	.7891	.7866	.7869	—9
.8360	.7532	Jun	.7824	.7830	.7813	.7813	—7
.8285	.7515	Sep	.7773	.7775	.7770	.7767	—6
.8283	.7478	Dec	.7725	.7725	.7725	.7726	—6
.8712	.7600	Mar				.7690	—5
Est. Sales 2,208 Prev. Sales 3,082							
Prev. Day Open Int. 18,529 up 487							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.7025	.5724	Mar	.6206	.6220	.6174	.6181	—12
.6920	.6070	Jun	.6140	.6140	.6115	.6117	—11
.6720	.6092	Sep				.6072	—10
.6650	.6100	Dec				.6039	—9
Est. Sales 12,094 Prev. Sales 17,063							
Prev. Day Open Int. 117,350 up 752							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008372	.007445	Mar	.008072	.008080	.008061	.008063	—6
.008320	.007745	Jun	.008073	.008078	.008067	.008064	—6
.008108	.008040	Sep				.008077	—6
.008081	.008081	Dec				.008096	—6
Est. Sales 2,719 Prev. Sales 4,474							
Prev. Day Open Int. 39,222 off 1,218							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8140	.6785	Mar	.6893	.6906	.6855	.6860	—11
.8070	.6750	Jun	.6856	.6856	.6820	.6827	—11
.6920	.6735	Sep	.6830	.6830	.6812	.6809	—11
Est. Sales 5,322 Prev. Sales 11,858							
Prev. Day Open Int. 40,003 up 3,024							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
67.30	51.32	Mar	57.95	58.45	57.90	58.06	—.02
66.25	52.15	May	59.05	59.50	59.00	59.05	—.11
66.49	53.00	Jul	60.05	60.40	60.05	60.18	
64.49	54.40	Oct	59.45	59.45	59.41	59.41	+.15
64.25	54.60	Dec	58.45	58.50	58.25	58.25	—.20
61.40	55.62	Mar				59.05	—.32
61.30	60.99	May				59.50	—.30
Est. Sales 1,008 Prev. Sales 3,937							
Prev. Day Open Int. 38,464 off 68							
HEATING OIL (NYME) 42,000 gal- cents per gal							
67.40	53.60	Jan				58.85	
65.90	54.55	Feb				59.25	
63.90	53.10	Mar				58.28	
60.70	52.25	Apr				57.06	
59.15	49.50	May				55.86	
58.25	50.80	Jun				55.31	
58.20	50.95	Jul				55.31	
58.50	53.45	Aug				55.71	
59.55	54.80	Sep				56.81	
60.70	55.90	Oct				57.66	
61.25	57.00	Nov				58.46	
62.00	57.85	Dec				59.26	
62.25	58.15	Jan				59.56	
59.44	57.50	Feb				58.96	
57.54	56.25	Mar				57.06	
56.00	54.30	Apr				55.71	
		Jun				53.51	
Est. Sales Prev. Sales 52,319							
Prev. Day Open Int.							
LIGHT SWEET CRUDE (NYME) 1,000 bbl.- dollars per bbl.							
22.10	18.67	Feb				19.95	
21.91	18.76	Mar				20.01	
21.75	18.75	Apr				20.05	
21.62	18.93	May				20.07	
21.59	18.67	Jun				20.07	
21.39	18.97	Jul				20.06	
21.26	18.76	Aug				20.05	
21.20	18.98	Sep				20.06	
21.19	19.20	Oct				20.05	
21.15	19.13	Nov				20.04	
21.20	19.04	Dec				20.03	
20.83	19.96	Jan				20.01	
20.91	19.20	Feb				19.99	
21.10	19.20	Mar				19.97	
20.83	19.39	Apr				19.96	
20.39	19.25	May				19.96	
21.05	19.18	Jun				19.96	
20.61	20.00	Sep				19.94	
19.92	19.15	Dec				19.94	
20.50	19.28	Jun				19.93	
20.49	19.30	Dec				19.97	
Est. Sales Prev. Sales 45,724							
Prev. Day Open Int.							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
61.00	50.75	Jan				56.11	
60.50	51.70	Feb				55.65	
61.28	53.25	Mar				56.80	
62.20	57.50	Apr				60.25	
65.32	58.15	May				60.80	
64.60	58.35	Jun				61.00	
63.77	58.10	Jul				60.55	
62.35	57.30	Aug				59.90	
60.45	57.00	Sep				58.90	
57.00	54.70	Oct				57.30	
		Nov				56.30	
54.90	53.30	Dec				55.05	
54.75	53.55	Jan				54.30	
Est. Sales Prev. Sales 16,777							
Prev. Day Open Int.							

Stock Indexes

(Indexes compiled shortly before market close)

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
437.85	390.00	Dec				443.85	
442.90	390.50	Mar	440.60	441.30	440.40	440.65	—.30
443.40	391.00	Jun	441.40	441.70	441.15	441.25	—.30
444.40	391.00	Sep	442.70	442.70	442.40	442.40	—.20
Est. Sales Prev. Sales 25,229							
Prev. Day Open Int. 160,553 off 91							
NYSE COMP. INDEX (NYFE) points and cents							
242.80	214.70	Dec				242.30	—.35
243.05	215.00	Mar	241.30	242.00	241.20	241.45	—.35
243.05	222.10	Jun	241.40	241.40	241.40	241.70	—.35
242.50	222.50	Sep				242.00	—.35
Est. Sales Prev. Sales							
Prev. Day Open Int.							

Commodity Indexes

	Close	Previous
Moody's	N.Q.	977.90
Reuters	1,686.90	1,693.80
D.J. Futures	121.96	121.75
Com. Research	204.06	204.80

WORLD STOCK MARKETS

Agence France Presse Dec. 24

Amsterdam	Close	Prev.
ABN Amro Hld	50.90	50.70
ACF Holding	34.30	34.50
Aegon	75.10	74.40
Ahold	89.50	89.40
Akzo	139.80	139.80
AMEV	61.90	61.50
Amst Rubber	2.30	2.30
Bols	42	42
Buhrmann Tett	28.20	28.50
CSM	102.40	102
DAF	8.70	8.10
DSM	75.30	75.40
Elsevier	122	120.50
Fokker	15.10	15
Gist-Brocades	33.80	33.70
HBG	187	185
Heineken	174.70	174.40
Hoogovens	22.70	23.10
Hunter Douglas	41	40.60
IHC Caland	87	85.60
Inter Mueller	51.50	51.50
Int'l Nederland	54.50	54.70
KLM	25	25.30
KNP	28.30	28.70
Nedlloyd	31.80	30.80
Oce Grinten	40.70	40.50
Pakhoed	35.40	35.80
Philips	19.90	20
Robeco	98	98.10
Rodamco	46.20	45.20
Rolinco	97.10	97.10
Rorento	79.40	79.40
Royal Dutch	147.20	147.10
Stork	25.30	26.30
Unilever	192	191.80
Van Ommeren	34	33.80
VNU	90.70	91.30
Wessanen	100.20	100.50
Wolters/Kluwer	82.70	82.70

CBS Trend Index : 106.80
Previous : 106.50

Brussels	Close	Prev.
Acec-UM	2140	2130
AG Fin	2180	2170
Arbed	1830	1820
Barco	1298	1290
Bekaert	13325	13425
Cockerill	93	92
Cobepa	4245	4215
Delhaize	1390	1386
Electrobel	5700	5490
GIB	1312	1310
GBL	2725	2740
Gevaert	6340	6300
Kredietbank	5820	5830
Petrofina	7540	7600
Royal Belge	4270	4250
Soc Gen Banque	7100	7140
Soc Gen Belgique	1890	1840
Sofina	10000	9960
Solvay	11550	11500
Tractebel	7800	7840
UCB	22550	22550
Powerfin	2495	2495

Current Stock Index : 5573.28
Previous : 5573.27

Hong Kong	Close	Prev.
Bk East Asia	33	32.50
Cathay Pacific	9.25	9.20
Cheung Kong	18.70	18.10
China Light Pwr	32.25	31.50
Dairy Farm Int'l	11.30	11.20
Hang Lung Dev	9	8.70
Hang Seng Bank	52	51
Henderson Land	14	13.50
HK Air Eng.	19.50	19.30
HK China Gas	15.30	15
HK Electric	15.60	15.40
HK Land	12.10	11.60
HK Realty Trust	10.20	10
HSBC Holdings	54	52.50
HK Shang Htls	5.40	5.30
HK Telecomm	9.40	9.45
HK Ferry	5.15	5.10
Hutch Whampoa	15.20	14.80
Hysan Dev	12.70	12.40
Jardine Math.	45	42.25
Jardine Str Hld	19.80	19.30
Kowloon Motor	8.30	8.25
Mandarin Orient	6.95	7
Miramar Hotel	8.40	8.35
New World Dev	16.10	15.70
SHK Props	27.70	26.90
Stelux	4.23	4.15
Swire Pac A	29.10	27.60
Tai Cheung Pros	9.20	9.10
TVE	2.08	2.05
Wharf Hold	15.30	14.80
Wing On Int'l	7.70	7.55
Winsor Ind.	11.10	11.20
World Int'l	6.80	6.70

Hang Seng Index : 5442.81
Previous : 5317.99

Johannesburg	Close	Prev.
AECI	5.80	5.80
Altech	130	130
Anglo Amer	85.50	85.50
Barlows	45	45
Blyvoor	3	3
Buffels	21.50	21.50
De Beers	58	57.75
Driefontein	31.50	31.25
Gencor	10.10	10.10
GFSA	61.50	61.50
Harmony	6.75	6.75
Highveld Steel	8.85	8.85
Kloof	27	27
Nedbank Grp	16.75	16.75
Randfontein	12.50	12.50
Rusplat	68.75	68.75
SA Brews	59	59
St Helena	15.25	15.25
Sasol	15.75	15.75
Welkom	13	13
Western Deep	46	46

Composite Stock Index : 3247
Previous : 3242

London	Close	Prev.
Abbey Nat'l	3.93	3.87
Allied Lyons	6.49	6.50
Arjo Wiggins	1.46	1.46
Argyll Group	4.23	4.26
Ass Brit Foods	5.05	5.07
BAA	8	8.09
BAe	1.58	1.61
Bank Scotland	1.26	1.26
Barclays	3.78	3.80
Bass	6.40	6.47
BAT	9.92	9.98
BET	0.90	0.92
Blue Circle	1.97	2.02
BOC Group	7.61	7.60
Boots	5.39	5.44
Bowater	4.98	4.99
BP	2.41	2.37
Brit Airways	3.04	3.05
Brit Gas	2.87	2.85
Brit Steel	0.56	0.56
Brit Telecom	3.96	3.97
BTR	5.45	5.50
Cable Wire	6.95	6.94
Cadbury Sch	4.56	4.55
Coats Viyella	2.27	2.25
Comm Union	6.27	6.25
Courtaulds	5.87	5.90
ECC Group	4.28	4.23
Enterprise Oil	4.40	4.37
Eurotunnel	3.38	3.25
Fisons	2.32	2.32
Forte	1.83	1.80
GEC	2.87	2.85
Gen'l Acc	5.87	5.80
Glaxo	7.50	7.57
Grand Met	4.60	4.57
GRE	1.73	1.71
Guinness	5.14	5.17
GUS A	17.15	16.95
Hanson	2.27	2.29
Hillsdown	1.34	1.33
ICI	10.25	10.18
Inchcape	5.55	5.57
Kingfisher	5.70	5.71
Ladbroke	1.88	1.79
Land Sec	4.55	4.50
Laporte	6.50	N.A.
Lasmo	1.57	1.54
Legal Gen Grp	4.30	4.33
Lloyds Bank	5.25	5.33
Marks Sp	3.24	3.25
MB Caradon	3.05	3
MEPC	3.30	3.20
Nat'l Power	2.81	2.77
NatWest	4.13	4.15
NthWst Water	4.72	4.69
Pearson	3.88	3.82
P & O	5.10	5
Pilkington	1.01	1.01
PowerGen	2.80	2.77
Prudential	3.06	3.06
Rank Org	6.85	6.90
Reckitt Col	6.30	6.25
Redland	4.14	4.15
Reed Int'l	6.50	6.50
Reuters	14.05	14.05
RMC Group	5.66	5.63
Rolls Royce	1.17	1.16
Rothmans	6.64	6.64
Royal Scot	2.06	2.06
RTZ	6.68	6.67
Sainsbury	5.68	5.72
Scot Newcas	4.85	4.85
Scot Power	2.41	2.40
Sears Holds	1.02	1.02
Severn Trent	4.58	4.57
Shell	5.50	5.50
Siebe	4.40	4.39
Smith Nephew	1.67	1.66
SmithKline B	5.03	5.02
Smith (WH)	5.10	5.17
Sun Alliance	3.52	3.51
Tate & Lyle	4	4
Tesco	2.61	2.59
Thorn EMI	8.49	8.60
Tomkins	2.62	2.55
TSB Group	1.47	1.46
Unilever	11.23	11.18
Utd Biscuits	3.69	3.69
Vodafone	4.18	4.17
War Loan 3½	39.44	39.31
Wellcome	9.80	9.79
Whitbread	4.95	4.92
Williams Hdgs	3.38	3.35
Willis Corroon	1.92	N.A.

F.T. 30 Index : 2165.60
Previous : 2162.00
F.T.S.E. 100 Index : 2827.50
Previous : 2827.00

Montreal	Close	Prev.
Alcan Aluminum	21¾	21⅝
Bank Montreal	45⅝	45⅝
Bell Canada	41⅝	41¾
Bombardier A	12½	12⅜
Bombardier B	12⅜	12½
Cambior	12½	12
Cascades	6⅜	6¼
Dominion Text A	8⅛	8⅛
Donohue	N.Q.	—
MacMillan Bl	16⅛	14⅝
Nat'l Bk Canada	8⅛	7⅞
Power Corp.	15⅝	15⅜
Quebec Tel	16½	16½
Quebecor A	N.Q.	—
Quebecor B	17	17
Teleglobe	N.Q.	13⅜
Univa	7⅜	7½
Videotron	16¼	16⅛

Industrials Index : 1552.58
Previous : 1558.41

Paris	Close	Prev.
Accor	634	632
Air Liquide	777	777
Alcatel Alsthom	690	676
Axa	1008	1000
Bancaire (Cie)	400	393
BIC	940	936
Bouygues	581	569
BSN-GD	944	926
Carrefour	2406	2342
C.C.F.	222	215.90
Cerus	72.95	69.50
Chargeurs	1270	1239
Ciments Franc	278	255
Club Med	385	380
Elf-Aquitaine	358	352
Elf-Sanofi	1114	1070
Gen. Eaux	2162	2130
Euradisneyland	64.30	63.85
Hachette	81.90	77
Havas	444.20	426.30
Imetal	354	352
Lafarge Coppee	331.90	331.90
Legrand	3920	3860
Lyon. Eaux	491.80	482.50
Oreal (L')	1028	1008
L.V.M.H.	3738	3640
Matra	190	184.10
Merlin Gerin	470	470
Michelin B	184	179.50
Moulinex	78	81
Paribas	361	349
Pechiney Intl	211.50	215
Pernod-Ricard	366	361.50
Peugeot	587	580
Printemps (Au)	579	640
Radiotechnique	218	205
Raff. St. Louis	1149	1139
Redoute (La)	6450	6400
Saint Gobain	520	518
S.E.B.	340.10	342
Ste Generale A	602	602
Suez	254.60	250.50
Thomson-CSF	145.60	141.80
Total	227.80	221.90
U.A.P.	490	480
Valeo	645	645

CAC 40 Index : 1854.99
Previous : 1821.31

Sao Paulo (Dec. 23)	Close	Prev.
Banco do Brasil	520	520
Banespa	88.50	82
Bradesco	350	319
Brahma	1870	1700
Paranapanema	128	125
Petrobras	24000	21700
Telebras	180	149
Vale Rio Doce	715	694
Varig	1900	1700

Bovespa Index : 55595
Previous : 52535

Singapore	Close	Prev.
Cerebos	4.38	4.38
City Dev.	3.94	4
DBS	11.50	11.40
Fraser Neave	11	11.10
Genting	8.85	8.85
Golden Hope Pl	1.38	1.38
Haw Par	2.32	2.29
Hume Industries	3.46	3.46
Inchcape	5.80	5.80
Keppel	6.25	6.20
KL Kepong	2.26	2.27
Lum Chang	0.95	0.94
Malayan Banks	6.20	6.20
OCBC	8.65	8.65
OUB	4.84	4.82
OUE	6.95	6.90
Sembawang	8.25	8.25
Shangrila	4.56	4.58
Sime Darby	3	2.96
SIA	13.40	13.40
S'pore Land	3.98	3.94
S'pore Press	9.10	9.05
Sing Steamship	2.15	2.13
Straits Trading	2.91	2.89
UOB	6.70	6.65
UOL	1.37	1.35

Straits Times Ind. : 1488.98
Previous : 1486.86

Sydney	Close	Prev.
ANZ	2.93	2.88
BHP	13.10	12.96
Borat	2.86	2.83
Bougainville	0.44	0.45
Coles Myer	4.78	4.70
Comalco	3.25	3.25
CRA	13.50	13.36
CSR	4.24	4.16
Dunlop	4.92	4.90
Fosters Brew	1.34	1.34
Goodman Field	1.46	1.47
ICI Australia	5.90	5.90
Magellan	2.38	2.38
MIM	2.33	2.33
Nat Aust Bank	7.50	7.40
News Corp	30	29.70
Nine Network	2.90	2.92
N Broken Hill	2.22	2.20
Pioneer Int'l	2.43	2.42
Nmndy Poseidon	1.26	1.26
QCT Resources	1.13	1.12
Santos	2.55	2.54
TNT	0.77	0.77
Western Mining	4.36	4.42
Westpac Banking	3.17	3.16
Woodside	3.53	3.49

All Ordinaries Index : 1536.20
Previous : 1534.80

Tokyo (Dec. 25)	Close	Prev.
Akai Electr	392	395
Asahi Chemical	607	602
Asahi Glass	1010	1000
Bank of Tokyo	1390	1400
Bridgestone	1170	1170
Canon	1380	1380
Casio	1060	1070
Citoh	424	426
Dai Nippon Print	1300	1310
Daiwa House	1420	1420
Daiwa Securities	905	910
Fanuc	3510	3540
Fuji Bank	1890	1910
Fuji Photo	2750	2780
Fujitsu	560	563
Hitachi	750	757
Hitachi Cable	590	590
Honda	1390	1410
Ito Yokado	3780	3780
Japan Airlines	591	598
Kajima	830	817
Kansai Power	2350	2340
Kawasaki Steel	287	294
Kirin Brewery	1170	1170
Komatsu	716	711
Kubota	561	557
Kyocera	4450	4450
Matsu Elec Inds	1170	1180
Matsu Elec Wks	901	899
Mitsubishi Bk	2410	2440
Mitsubishi Kasei	402	404
Mitsubishi Elec	490	489
Mitsubishi Hev	547	552
Mitsubishi Corp	879	880
Mitsui and Co	605	606
Mitsukoshi	756	764
Mitsumi	1100	1120
NEC	692	697
NGK Insulators	943	945
Nikko Securities	671	676
Nippon Kogaku	725	717
Nippon Oil	610	610
Nippon Steel	293	294
Nippon Yusen	502	509
Nissan	580	587
Nomura Sec	1540	1560
NTT	5790a	5920a
Olympus Optical	1100	1080
Pioneer	2870	2870
Ricoh	616	619
Sanyo Elec	390	392
Sharp	1010	1030
Shimazu	535	537
Shinetsu Chem	1600	1600
Sony	4310	4300
Sumitomo Bk	1980	1940
Sumitomo Chem	465	470
Sumi Marine	906	915
Sumitomo Metal	270	275
Taisei Corp	646	642
Taisho Marine	902	921
Takeda Chem	1270	1290
TDK	3450	3490
Teijin	412	415
Tokyo Marine	1220	1230
Tokyo Elec Pw	2620	2640
Toppan Printing	1050	1070
Toray Ind.	664	666
Toshiba	639	643
Toyota	1500	1520
Yamaichi Sec	575	578

a: x 100.
Nikkei 225 : 17557
Previous : 17599
Topix Index : 1342
Previous : 1350

Toronto	Close	Prev.
Abitibi Price	14½	14¼
Agnico Eagle	5⅛	5⅛
Air Canada	2.35	2.35
Alberta Energy	16	16
Am Barrick Res	38	38
BCE	41⅞	41⅝
Bk Nova Scotia	23⅜	23⅜
BC Gas	14⅜	14⅜
BC Phone	19⅜	19⅝
BF Realty Hds	0.03	0.03
BP Canada	14½	14⅝
Bramalea	0.44	0.42
Brunswick	8⅛	8⅛
CAE	5⅛	5⅛
Camdev	2.60	2.60
CIBC	26⅜	26⅜
Canadian Pacific	15½	15½
Can Packers	14⅛	14⅛
Can Tire A	15⅞	15⅞
Cantor	26⅜	26⅜
Cara	4.60	4.48
CCL Ind B	9⅛	9⅜
Cineplex	2.48	2.45
Cominco	17⅜	17⅜
Conwest Expl A	9⅜	N.Q.
Denison Min B	0.16	0.15
Dickenson Min A	3.65	3.65
Dofasco	10⅞	10⅛
Dylex A	2.48	2.40
Echo Bay Mines	6⅛	6⅛
Equity Silver A	0.70	0.70
FCA Int'l	2.74	2.70
Fed Ind A	4	4
Fletcher Chall A	15⅜	15⅜
FPI	3.25	3.10
GoldCorp	2.60	2.65
Grafton Group	N.Q.	—
Gulf Cda Res	3.95	3.95
Hees Int'l	7⅜	7⅜
Hemlo Gld Mines	7⅜	7⅜
Hollinger	10⅛	10
Horsham	10⅜	10⅜
Hudson's Bay	25⅞	25⅞
Imasco	40⅛	40⅜
Inco	28	28⅛
Interprov Pipe	23	22⅞
Jannock	13⅛	13⅛
Labatt	27⅞	27⅞
Loblaw Co	28⅛	28⅛
Mackenzie	6	5⅞
Magna Int'l A	33⅞	34⅛
Maritime	21⅞	21⅞
Mark Res	5⅛	5⅛
MacLean Hunter	11⅞	11⅞
Molson A	26⅛	26⅛
Noma Ind A	5⅛	5
Noranda Inc	18	18⅛
Noranda Forest	7⅝	7½
Norcen Energy	17	16⅞
Nova Corp	8⅛	8⅛
Oshawa	22⅞	23⅜
Pagurin A	2.35	2.33
Placer Dome	14⅜	14⅛
Poco Petroleum	4½	4.40
PWA Corp	0.70	0.69
Quebec Sturgeon	0.21	0.21
Rayrock	9⅜	10
Renaissance	18⅜	18⅛
Rogers B	14⅛	14
Rothmans	100	101
Royal Bank Can	24⅛	24⅛
Royal TrustCo	3	3.15
Sceptre Res	N.Q.	—
Scott's Hosp	10	9⅞
Seagram	33⅞	33⅞
Sears Can	6⅜	6⅜
Shell Can	34⅝	34½
Sherritt Gordon	6½	6½
SHL Systemhse	8⅜	8⅜
Southam	15⅛	15⅛
Spar Aerospace	15⅛	15⅜
Stelco A	1.40	1.39
Teck B	17	16⅞
Thomson News	14⅛	14⅛
Toronto Domn	16⅝	16⅝
Torstar B	22⅜	22⅜
Transalta Util	13⅜	13⅜
TransCda Pipe	17⅛	18
Trilon Finl A	4.45	4.35
Trimac	9⅛	9
Trizec A	2.79	2.65
Unicorp Energy	0.30	N.Q.
Woodward's Ltd	0.26	0.25

TSE 300 Index : 3319.91
Previous : 3324.28

Markets Closed

Because of the Christmas holidays, financial markets in Frankfurt, Helsinki, Madrid, Milan, Sao Paulo, Stockholm and Zuric were closed Thursday and Friday.

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EUROPE

Rate Falls Expected In Italy

Bloomberg Business News

MILAN — Interest rates are likely to tumble in Italy next year as policymakers get to grips with domestic recession, analysts said.

Pushing the economy into a higher gear will take precedence over efforts to drag the lira back into the exchange-rate mechanism of the European Monetary System, the analysts said.

"Italy will be making internal problems its priority," said Roberto Condulmari, an analyst at Gemina-Crédit Lyonnais.

Tuesday's move by the Bank of Italy to cut its discount rate one point, to 12 percent, is expected to be repeated several times in 1993 as the Bank of Italy makes preventing a deep recession its primary task. "They are going into a recession in Italy and they need to cut rates. It's as simple as that," said George Pilla, an analyst at IDEA Ltd. in London.

Falling interest rates would delay the lira's re-entry to the ERM because it would make the currency difficult to control. But economists think the Italian government no longer wants to get back in quickly. The lira was suspended from the ERM on Sept. 17 when it became impossible to defend its levels.

Italy's economy is expected to grow just 0.8 percent next year.

Given an expected one-point cut in German rates at some point, the Bank of Italy's discount rate on loans to banks should be at 10 percent by next summer, Mr. Pilla said.

Analysts said the rate cut was prompted by several factors, among them estimates the annual inflation rate would fall to 4.7 percent in December, its lowest in four years, while industrial production would slide 6.1 percent in that month from the level a year ago.

In addition, Parliament approved the 1993 budget on Tuesday, which was seen as a prerequisite for lower rates, and the lira has stabilized.

"There was room for the Bank of Italy to cut," said Oreste Gallo, an economist at San Paolo Bank.

Commercial banks next year are also expected to be more prompt in bringing their lending rates down along with the Bank of Italy's. Throughout the autumn, commercial banks resisted cutting their own lending rates even though the central bank was cutting the rate at which it lends to the banks.

On Tuesday, Italy's major banks responded quickly to the Bank of Italy's move, cutting their prime rates one point, to 13.5 percent.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Tendency	109.50	109.40	+0.10
Brussels	Stock Index	5,570.29	5,573.27	-0.04
Frankfurt	DAX	Closed	1,580.05	
Frankfurt	FAZ	Closed	330.55	
Helsinki	HEX	Closed	836.17	
London	Financial Times 30	2,155.00	2,152.00	+0.13
London	FTSE 100	2,822.50	2,825.40	Unch.
Madrid	General Index	Closed	278.20	
Milan	MIB	Closed	860.00	
Paris	CAC 40	1,850.74	1,851.31	-0.03
Stockholm	Affärsvärlden	Closed	1,021.36	
Vienna	Stock Index	Closed	342.79	
Zurich	SBS	Closed	575.10	

Sources: Reuters, AFP — International Herald Tribune

Very briefly:

• **France** will issue about 220 billion francs ($41 billion) of long-term Treasury bonds, or OATs, in 1993, the Finance Ministry announced, and around 190 billion francs in medium-term bonds, known as BTANs.

• **Italy** had a balance-of-payments surplus of 3.33 trillion lire ($2.4 billion) in November, against a deficit of 3.76 trillion lire in November 1991, the Central Statistics Institute said. For the first 11 months of 1992, the balance-of-payments deficit stands at 45.52 trillion lire.

• **Russia** will put three nuclear reactors, with power ratings of 1,000 megawatts each, into service by 1995, the Russian cabinet has decided.

• **LOT**, the Polish airline, said it had taken delivery of four new Boeing 737-500 medium-haul aircraft; the airline now has three Boeing 767s, six 737s, five ATR-72s, six Tupolev-134s and 14 Tupolev-154s.

• **The Bank of Ireland** cut its call-money rate to 14 percent from 16 percent, a central bank spokesman said. The move follows a reduction in downward pressure on the punt and reduced tensions within the exchange-rate mechanism of the European Monetary System.

• **Turkey's** foreign trade deficit in the first 10 months of 1992 widened by 4.3 percent, to $6.22 billion, the State Institute of Statistics said.

AFP, Reuters

Thomson Can Shift SGS Stake

AFP-Extel News

PARIS — Thomson-CSF, the state-controlled electronics company, will have an option to transfer its stake in the SGS-Thomson Microelectronics BV venture with Italy to two government agencies as part of a recapitalization of the unprofitable computer-chip maker.

France and Italy are to each contribute $500 million to recapitalize SGS Thomson. The French side of the deal is expected to be finalized "within a few days," Thomson-CSF, which is 60 percent state-owned, said Thursday. Half will be contributed next year, the rest in 1994.

Thomson-CSF said it would have an the option in 1997 of assigning its shares in SGS-Thomson to a holding company called FT2CI. FT2CI will be owned by another holding company, FT1CI, which is to be 51 percent-owned by the government's CEA Industrie, with the rest held by France Telecom, the state telecommunications concern.

Mazda, Isuzu Plan Engine Tie

Compiled by Our Staff From Dispatches

TOKYO — Reaching outside their corporate families to weather a recession, Isuzu Motors Ltd. and Mazda Motor Corp. said Friday they were discussing a diesel-engine supply link.

Under the agreement, Isuzu will supply diesel engines to Mazda's new small-sized passenger car scheduled for 1993 production, spokesmen said. "We have just begun negotiations," an Isuzu spokesman said. "We have to examine technological matching and financial matters now."

Isuzu said last week it would suspend production of passenger cars, reflecting the weak domestic auto market. It subsequently reported that it had its second consecutive unprofitable financial year in the 12 months through October.

Now that Isuzu is suspending passenger-car production, the company will try to focus on commercial and recreational-vehicle production and auto-component sales, including engines, its spokesman said.

A Mazda spokesman denied Japanese press reports that the companies were planning a wider affiliation that would include a merger of their *keiretsu*, the Japanese corporate groupings linked through interlocking shareholders. Isuzu, which is 37 percent-owned by General Motors Corp., is associated with the keiretsu headed by Dai-Ichi Kangyo Bank. Mazda, which is 25 percent-owned by Ford Motor Co., is linked with the Sumitomo Bank keiretsu.

Industry analysts said the diesel alliance would help Mazda, Japan's No.4 automaker, trim development costs. Isuzu, the No. 9 automaker, will be able to strengthen its financial position through sales of its diesel engines, they added.

Currently, Mazda uses its own diesel engines in its passenger and commercial vehicles. But faced with the twin pressures of sluggish auto sales and a tight financial market, Mazda decided to join with Isuzu in an effort to cut engine development costs, analysts said.

A Mazda spokesman said the company chose Isuzu for its well-reputed diesel engines. *(UPI, AP)*

A Humbled Hyundai Hopes Kim Will Let It Get Back to Business

By Paul Blustein
Washington Post Service

SEOUL — The Hyundai group is through with politics. From now on, Hyundai's 120,000 employees will concentrate solely on doing the things that they normally do, making products such as cars, computers and ships.

That was the message from Hyundai's high command this past week, after the defeat of the group's founder, Chung Ju Yung, in South Korea's presidential election on Dec. 18. It seemed like a wise thing to say under the circumstances.

Twenty-seven Hyundai executives are hiding from the police because they fear being charged with illegally funneling corporate cash to Mr. Chung's campaign. On Wednesday, the head of Hyundai Petrochemical Co. was arrested at Seoul's airport and the police reportedly were close to arresting other top executives for allegedly improper activities on Mr. Chung's behalf.

The developments are the latest in a bizarre battle between the government's ruling clique and the nation's largest *chaebol*, or conglomerate. Its reverberations are likely to be felt for years because the scandal has exposed some of the most troubling features of the South Korean economic miracle, particularly the pervasive power of the government to bully companies and individuals and the pervasive power of the chaebol to influence the nation's politics.

The initial source of the conflict — a financial dispute between Mr. Chung and the government — has faded into insignificance. What matters now is the fierce power struggle that ensued as Mr. Chung, 77, backed by legions of loyal Hyundai employees, sought the presidency as a third-party candidate on a platform of reducing the government's control over business.

He concentrated most of his fire on the ruling party candidate, Kim Young Sam, whom he called a "thick-headed idiot," and he told aides that even if he lost, he hoped to garner enough conservative votes to deny Mr. Kim the presidency. But authorities alleged massive improprieties by Mr. Chung and Hyundai, and Mr. Kim won handily.

The episode's ultimate impact may be significant, perhaps for both Hyundai and the government, because it showed the chaebol and the authorities at their power-wielding worst. In that respect the scandal could speed reforms that many neutral analysts consider to be desirable.

South Korean authorities are well-known for exercising bureaucratic clout in ways most cultures would find intrusive. For example, Seoul periodically conducts "austerity" drives in which people who engage in conspicuous consumption — buying a Mercedes-Benz car, taking an overseas vacation — are targeted for tax audits.

In Mr. Chung's case, the government seemed to be using its bureaucratic powers against Hyundai when he was enjoying a surge of political support.

Last spring, when Mr. Chung's new United People's Party was threatening to win a large number of seats in the legislature, Hyundai found itself in a sudden cash squeeze because its credit lines had been suspended by Korean banks — whose presidents just happen to be appointed by the government.

In late autumn, when Mr. Chung was rising fast in the presidential polls, Hyundai executives were put under police surveillance. Government agents arrested more than a dozen Hyundai employees on suspicion of illegally funneling contributions to Mr. Chung's party.

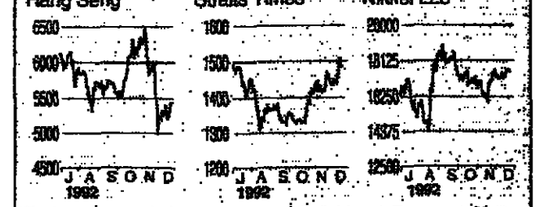
The authorities did not aggressively investigate other chaebol for evidence of donations to the ruling party, however, even though such practices are believed to be widespread.

But Hyundai's protestations of innocence did not convince many Koreans. Government investigators gathered documents purporting to show that millions of dollars belonging to Hyundai stockholders was siphoned off to help Mr. Chung's campaign.

The upshot was a voter backlash that contributed to Mr. Chung's disappointing 16 percent finish in the election. "The voters gave an emphatic answer to Hyundai and Mr. Chung: they don't want to put so much political power in the hands of the chaebol," said Yun Yuo Jin, senior economist and editorial writer at the Maeil Kyungje, a South Korean business newspaper.

ASIA / PACIFIC

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	5,442.01	5,317.99	+2.33
Singapore	Straits Times	1,488.90	1,486.06	+0.19
Sydney	All Ordinaries	1,536.20	1,524.80	+0.75
Tokyo	Nikkei 225	17,557.04	17,648.85	-0.52
Kuala Lumpur	Composite	646.39	645.04	+0.21
Bangkok	SET	869.00	868.59	+0.04
Seoul	Composite Stock	675.36	670.43	+0.74
Taipei	Weighted Price	3,458.00	3,448.15	+0.29
Manila	Composite	1,234.57	1,223.67	+0.89
Jakarta	Stock Index	271.28	271.75	-0.17
New Zealand	NZSE-40	1,542.25	1,535.00	+0.47
Bombay	National Index	1,185.80	1,171.00	+1.26

Sources: Reuters, AFP — International Herald Tribune

Very briefly:

• **Nissan Motor Co.**'s senior debt rating has been lowered to A from A-plus by **Standard & Poor's Asia**, which cited lower operating efficiency of the automaker resulting from reduced sales and increased competition.

• **Japan's** semiconductor industry is expected to recover in the first half of 1993, the Ministry of International Trade and Industry said, forecasting strong demand for chips in the United States and Southeast Asia.

• **The Bank of Tokyo** plans to open a branch in Ho Chi Minh City, according to press reports from the southern Vietnamese city.

• **Japanese** crude-oil imports totaled 21.32 million kiloliters in November, up 9.5 percent from November 1991.

• **Taiwan's** M-2 money supply rose by 17.9 percent in November from November 1991, the central bank said, slower than an 18.2 percent rise in October and 18.5 percent in September.

• **Hyogo Bank Ltd.** President Minoru Yamada said in Kobe that 60 percent to 70 percent of the bank's 88 creditors had agreed to extend support to its 10 troubled nonbank affiliates.

• **Woo Hing Brothers Bhd.**, a Malaysian watch retailer, said it would offer for sale 2.34 million shares at 2.34 ringgit (90 U.S. cents) in an initial public offering.

AFP, Bloomberg, Reuters

Beijing Lofts Recriminations

Compiled by Our Staff From Dispatches

BEIJING — China blamed Hughes Aircraft Co. on Friday for the apparent loss of an Australian communications satellite, after the General Motors Corp. subsidiary indicated the Beijing rocket that was to place it in orbit exploded.

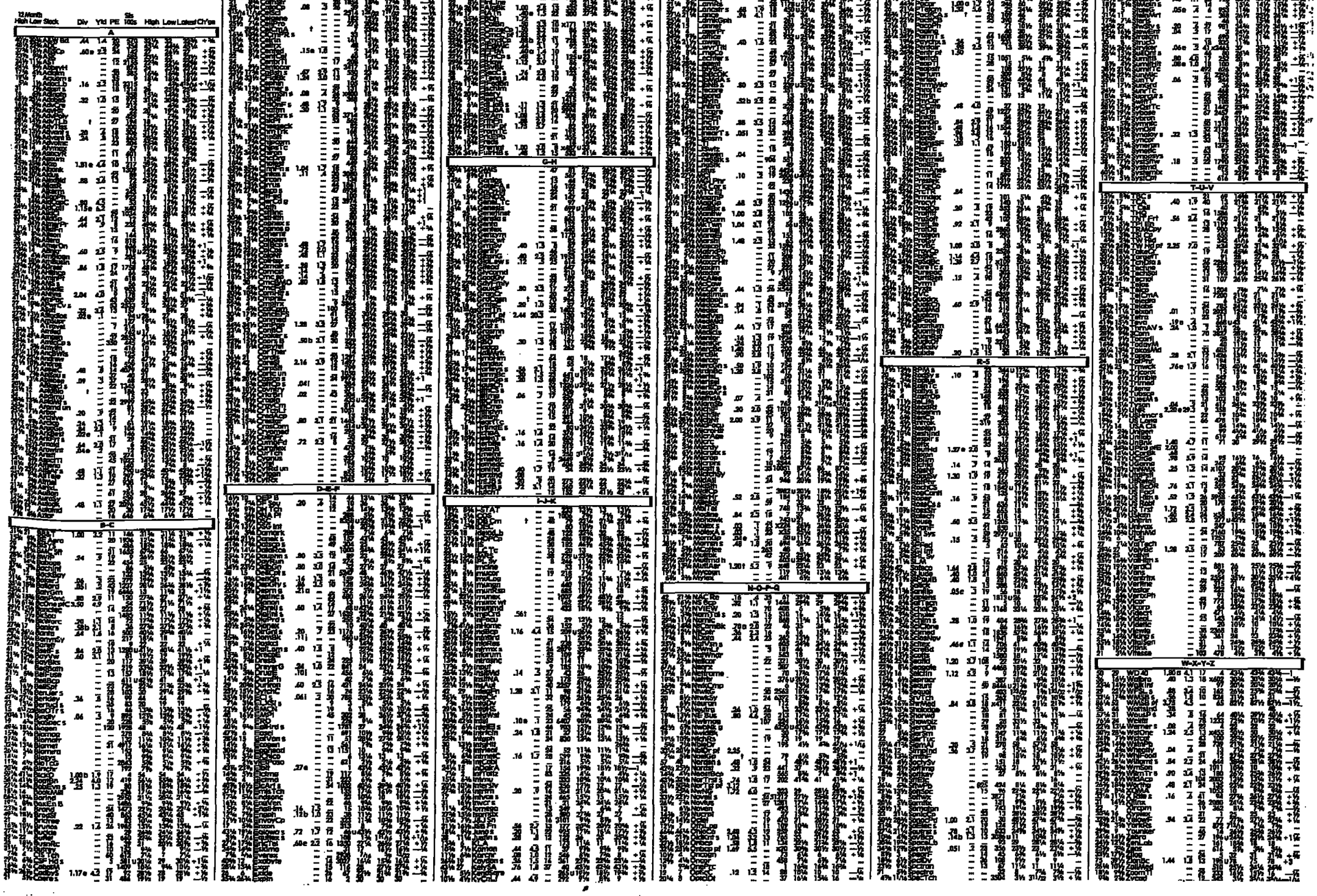
Criticizing "some foreign reports that are not true to facts," the vice president of China Great Wall Industrial Corp., Chen Shouchun, said China had played its part perfectly in putting the $138 million Optus B2 satellite, built by a Hughes subsidiary, into space on Monday.

Hughes Space & Communications Co. of Los Angeles has said its engineers spotted a fireball 48 seconds after launch that apparently blew up the satellite or rocket. They have located debris that appears to be from the satellite and the Long March 2E launch vehicle, but still do not know what caused the satellite's failure. *(AP, Reuters)*

NASDAQ

Thursday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



NYSE

Thursday's Closing

Tables include nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

52 Month High	52 Month Low	Stock	Div	Yld %	PE	Sls 100s	High	Low	Last	Net Chg
1	2	3	4	5	6	7	8	9	10	11

(Continued on next page)

NYSE Highs-Lows

NEW HIGHS 42

NEW LOWS 22

AMEX Highs-Lows

NEW HIGHS 21

NEW LOWS 1

To our readers in France
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Clinton Looks to Venture Capitalists to Help Revive Growth

By Steve Lohr
New York Times Service

NEW YORK — Richard Kramlich invests in fledgling companies that he says typically start out as "three guys and a dream." He is one of America's leading venture capitalists, and while the entrepreneurial dreams he backs are risky, the successful ones can be incubators of new technology and new jobs.

When Mr. Kramlich and his colleagues at New Enterprise Associates, a San Francisco-based partnership, put money in a company, it stays there for five years or more. They sit on the boards of the companies they invest in. They help with marketing plans and product designs — they even interview job applicants.

"Our fate is totally tied up with these companies," Mr. Kramlich said. "We are partners with them."

To Bill Clinton, this is capitalism working the way it is supposed to, aided by a very different breed of American financier than the Wall Street dealmaker of the 1980s.

The president-elect is betting on people like Mr. Kramlich to help build what he calls a "21st-century economy" filled with high-tech industries and high-wage jobs, and he is planning tax breaks to ease their way.

Mr. Clinton's proposed new enterprise tax cut would exclude from taxes half the capital gains on investments in new businesses held for more than five years.

The idea is to stimulate the entrepreneurial side of the U.S. economy by increasing the rewards for venture capitalists and individual investors in start-up companies, the "angels" Mr. Clinton has praised as "those with the patience, the courage and the determination to invest in new businesses that create new jobs."

"It could open up enormous amounts to seed capital for new businesses," said William Wetzel, director of the Center for Venture Research at the University of New Hampshire.

Skeptics question whether the new incentives alone will have the desired effect. The general health of the economy, industry trends, other taxes and regulatory costs are all considerations for prospective entrepreneurs, and could discourage them from starting up despite the tax cut, warned William Sahlman of the Harvard Business School.

Yet the new enterprise tax cut seems likely to face little opposition. Senator Dale L. Bumpers, Democrat of Arkansas and a friend of Mr. Clinton, has sponsored similar legislation and it has wide support in Congress. It will no longer face a presidential veto; President George Bush favored tax breaks on all investment profits.

Mr. Clinton's tax cut, by contrast, is aimed at long-term investment in small business, which creates two-thirds of the new jobs in the American economy. And the government revenue lost would be slight in the near term because the tax break would only apply to capital gains on investments held for five years or more.

Many economists question the wisdom of this fine-tuning of tax incentives, as did the Reagan administration, which strove to simplify the system in the Tax Reform Act of 1986.

A proposed tax cut is aimed at investment in small business, which creates two-thirds of new jobs.

But it has certainly won Mr. Clinton support among venture capitalists and high-tech entrepreneurs, the groups that would most benefit. About 130 of them, including Mr. Kramlich, gathered at a fund-raising dinner in San Francisco in September that brought in $300,000 for Mr. Clinton.

Other tax proposals from Mr. Clinton, like increasing taxes on high-income individuals and a surtax on millionaires, would hurt many of the entrepreneurs and investors. But the overall impact of Mr. Clinton's policies would be to take money out of their pockets and put it into their businesses, a trade-off they welcome.

The venture-capital firms are the aristocrats of start-up financing, and big names in the field include Mr. Kramlich's New Enterprise Associates, Venrock Associates in New York, Kleiner Perkins Caufield & Byers in Palo Alto, California, Institutional Venture Partners in Menlo Park, California, and Sevin Rosen Bayless in Dallas.

Half of all new companies go under within two years. But the venture funds can improve the odds by being very picky. They are searching for the next crop of rising stars of corporate America, and they have backed success stories like Intel, Apple Computer, Microsoft, Genentech and Federal Express.

Once pools of funds from wealthy individuals — Venrock, for example, is the venture arm of the Rockefeller family — the venture-capital industry has grown sharply over the last two decades, thanks to the arrival of institutional money like pension funds.

Today, there are more than 600 venture-capital firms with $32 billion invested in thousands of companies.

The second tier of start-up financing comes from so-called angels, an estimated 250,000 individual investors who put their personal savings into companies.

Where the big venture-capital funds have offices across the country, angel investing tends to be a local or regional affair, a successful entrepreneur taking a gamble on a neighbor's new business or a friend's recommendation.

While a typical venture-capital investment might be $2 million or more, angel stakes are far smaller, from a few thousand dollars to half a million. Yet the total volume of angel investment is estimated at five times the amount of venture-capital funds.

Many investors have a foot in both camps. In 1978, when the start-up hat was being passed among a half-dozen individual investors for a new computer company in Silicon Valley, Mr. Kramlich dipped into his own pocket and put in $22,500. The company was Apple Computer, and six years later his stake was worth $5 million.

The pace of both venture-capital and angel investment fell after the 1986 tax reform took effect, eliminating the lower tax rate on capital gains compared with ordinary income. Venture-capital investment fell from roughly $4 billion in 1987 to under $1.4 billion last year, according to Venture Economics, a research group.

AIRLINES: *Hope for Assistance*

(Continued from first finance page)

more normal traffic demand."

Industry specialists cited overexpansion as a major cause of the airlines' woes. Last month, only 58.4 percent of airline seats on domestic routes were filled, compared with 62 percent of the seats on international routes.

"I don't know if there's anything to be done until that overexpansion has ended and the economy has recovered," said Alfred E. Kahn, who championed deregulation as chairman of the Civil Aeronautics Board under President Jimmy Carter.

Mr. Kahn said he believed international alliances could be the savior of America's airlines. "I'm terribly disappointed by the failure of the British Airways-USAir deal," Mr. Kahn said. "We don't see anything wrong with the British owning banks, insurance companies and hotels. It's good for American consumers to get that capital."

But Mr. Mineta was leery of the 44 percent stake in USAir's equity and 21 percent of the voting stock that British Airways had sought in exchange for the $750 million it had offered the ailing airline.

Many industry observers urged tougher bankruptcy laws. At present, Trans World Airlines, Continental Airlines and America West are operating under court protection from their creditors. Before they failed, Pan American World Ways, Eastern Airlines and Braniff Airlines were under similar protection using Chapter 11 of the Bankruptcy Code.

John V. Pincavage, a partner at the Transportation Group Ltd., a New York company that specializes in financing airlines and airplanes, said:

"We should not allow airlines to go into Chapter 11 and dissipate creditor assets while they continue to operate and not have to pay their bills. That's what has led to continued overcapacity in the industry. The day a company declares bankruptcy we should padlock the doors and put it out of business. This would help reduce excess capacity and help the remaining airlines, which would get the traffic from the bankrupt airlines."

Mr. Mineta said that under the bankruptcy law, an airline that does not have to pay its creditors sometimes becomes "the tail that wags the dog." He noted that several weeks ago, when one airline (American) announced a fare increase, another airline (Continental), in bankruptcy, decided to cut fares. "They didn't have to pay their creditors," Mr. Mineta said.

SMOKE: *A Hefty Tax on Cigarettes Would Lighten the Deficit Burden*

(Continued from first finance page)

bill. But smokers also die younger, and thus effectively subsidize the pensions of nonsmokers. Willard Manning, an economist at the University of Minnesota's School of Public Health, calculated that smoking cost nonsmokers about 15 cents a pack — less than the current average tax.

Mr. Warner said Mr. Manning's figure greatly underestimated this external cost because it used too low a figure for death and illness caused by secondary inhalation.

In any event, many economists who follow the smoking debate think the externalities question is a diversion from the more fundamental moral issue of deterring addictive, self-destructive behavior.

Cigarette taxes are apparently an effective way to induce people to quit smoking, or never to become addicted in the first place. In Canada, the near-tripling of prices over the last decade, to $5.75 a pack, helped reduce cigarettes smoked by about 40 percent. The recent experience in California, which raised the tax by 25 cents in 1989, has also had an impact. Theodore Keeler, an economist at the University of California at Berkeley, estimated the resulting 23 percent price increase would ultimately reduce consumption about 11 percent.

Not surprisingly, poor individuals in general and teen-agers in particular are most easily deterred by high prices. A variety of studies suggest that a 10 percent increase in price reduces teen-age smoking by about 10 percent.

That is good news if the objective is to prevent children from getting hooked. But the tobacco industry has made much of the inequity of taxing poor adult smokers.

The poor and near-poor do indeed spend a disproportionate share of their incomes on cigarettes. Dr. Harris said he did not, however, think it followed that low-income Americans would be hurt by higher taxes. If the smoking tax is regressive, he points out, the financial benefits of inducing people to quit must be progressive. And the fate spared those induced to quit is especially dire. "Being sick is bad," said Dr. Harris; "being sick and poor is much worse."

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WEAPONS: *Overhauling Old Systems Is Big Business for Arms Makers*

(Continued from first finance page)

D. Dodge, director of Boeing's tandem rotor helicopter programs.

Anticipating that foreign sales will not be enough to keep the factory open, Boeing is now arguing that the Gulf War demonstrated the need for another upgrade: Model D's should be rebuilt into the more powerful Model F, still in the design stage.

In a carpeted conference room at the headquarters building, Mr. Dodge offered the Model F sales pitch that he gives regularly now to people at the Pentagon and members of Congress.

The Model D, Mr. Dodge explained, was everywhere in Saudi Arabia and Iraq during the Gulf crisis, carrying troops, drums of fuel, artillery and the injured. But fully loaded, the Model D's two engines and fuel capacity could travel only 100 miles (160 kilometers) without refueling, half the range of the proposed Model F.

"On the first day of the ground fighting, that 100 miles took troops and supplies only halfway to Baghdad on the Euphrates from the Saudi border," Mr. Dodge said. "The Model F could have gone all the way to the Euphrates nonstop." And Mr. Dodge suggested that the Model F might have gotten American troops to Baghdad quickly enough to surprise Saddam Hussein and capture him.

The Gulf experience is frequently invoked to justify the expense of upgrading old weaponry in the post-Cold War period. The deployment of American troops in Somalia is the latest such experience.

But rebuilding older weapons rather than buying new ones raises issues that have not been adequately debated in Congress or by the public, according to Representative Andy Ireland of Florida, the ranking Republican on the House subcommittees for military procurement and for investigations of weapons contracts.

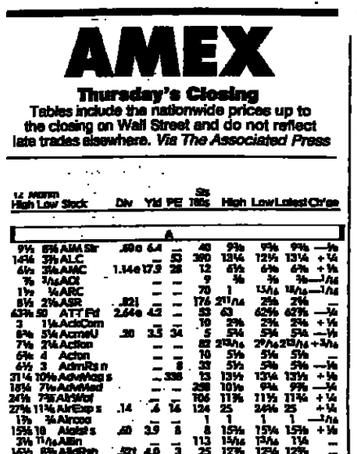
"If the threat is no worse than Saddam Hussein's Republican Guard, do you really need to spend so much on upgrading weaponry?" Mr. Ireland asked.

"I know in my gut that upgrading weapons is a growing trend, although still not fully measured," he said. "Accountability is necessary to head off overcharging, which is just as likely with an upgrade as with a new B-1 bomber. Most important, is this an overlooked area for cutbacks in defense spending?"

AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

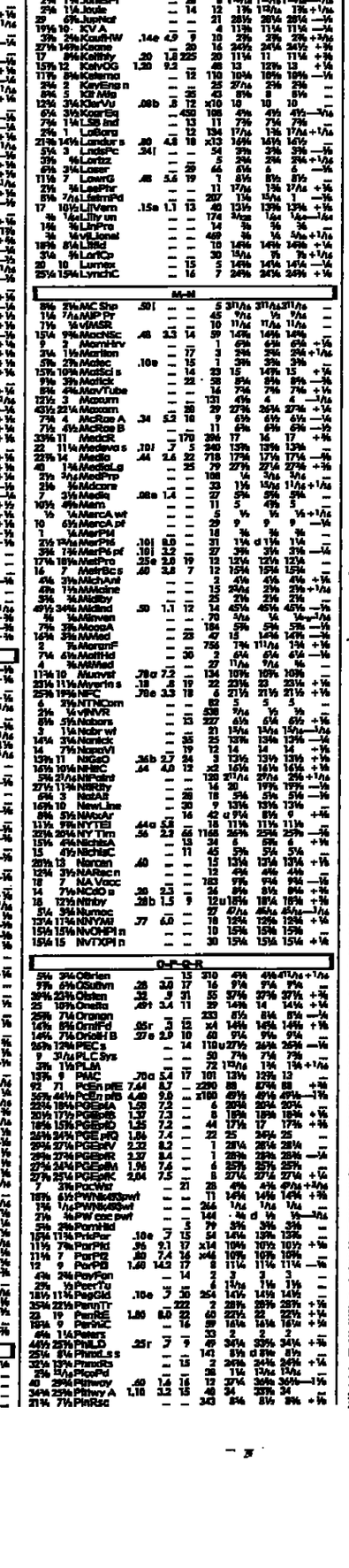


NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



Herald Tribune INTERNATIONAL

Saturday-Sunday,
December 26-27, 1992
Page 12

THE MONEY REPORT

FIRST COLUMN

If Oil Falls, The Bravest Will Profit

So you've digested your Christmas dinner. Now there are other, more dangerous appetites to satisfy — notably, the hunger for pure, speculative profit.

You've already shorted the French franc, you've gone long on Hong Kong, and you've hedged your German mark investments into dollars. What do you do with that last five percent or so of your portfolio, the bit earmarked for speculative plays?

Brave investors will put it into oil. Or more precisely, they will make an oil play that will be lucrative if the price of oil falls. And there are strong arguments in favor of the price of oil falling through the floor, to half its present level of around $18 per barrel of Brent Crude.

The control which OPEC, the Organization of Petroleum Exporting Countries, was able to exert over production levels was, at best, tenuous. Now it looks to be almost nonexistent.

The demand side of the equation is even more depressing. Stocks of oil held by industrial concerns have increased. And the weather has generally been milder than expected this winter, further depressing demand.

The biggest brake on demand has, of course, been the recession. Japan is struggling, Germany has already gone into decline, and the American recovery is a lot weaker and has been slower in coming than many had predicted. The result is a lot of oil with almost no one wanting to buy it.

Individual investors who want to put some financial weight behind this pessimistic scenario for oil have a variety of ways of doing so. They can purchase an option contract on, say, the Chicago exchange. Or they can find an investment house, like Goldman Sachs, which makes a market in oil warrants. Or they can make a put option play on one of the big oil exploration companies, which are hit the hardest when the price of the raw material falls.

Or, again, you can do nothing and just wait for the price of gas to fall. Happy motoring in 1993.

M.B.

'Bottom-Up' Optimism on Stocks

Company Analysts See Good Growth in 4 Major Markets

By Philip Crawford

DESPITE economists' gloomy predictions for global markets in 1993, a recent survey shows that financial analysts are forecasting healthy earnings growth for four of the world's top five stock markets.

Companies listed on stock exchanges in the United States, Japan, Britain and France should show average earnings growth of 19.75 percent over the next 12 months, says the survey, while earnings of listed companies in Germany are predicted to grow by just 3 percent.

The study was conducted by Institutional Brokers Estimate System of New York, a global data base, and involved information on roughly 12,000 companies in 34 countries collected from over 5,400 financial analysts, according to IBES.

The U.S. market, perceived by many financial pundits to have turned the corner away from recession, received the most bullish reviews, with 1993 earnings growth estimated at a hefty 26 percent. Analysts meanwhile tabbed the British, French and Japanese markets to weigh in with earnings growth of 25 percent, 17 percent and 11 percent respectively.

The estimates are widely perceived as too optimistic by market strategists who, like economists, base their calculations on "top-down" macroeconomic models rather than on "bottom-up" evaluations of individual companies, which are the stock-in-trade of the financial analyst. The IBES study was based solely on such analyst-provided data.

"If past patterns hold true this year, the reality in the U.S. will be earnings growth of about 12 percent lower than the analysts predict," said Rick Pucci, a vice president at IBES. "And in the other markets, it's reasonable to think in the same terms. Analysts tend to err on the positive side because companies are always rolling out new statistics and there's always a lot of enthusiasm for new products.

"But development costs are always more than expected, things go wrong, and earnings don't turn out to be quite as rosy as people hope. Strategists tend to be too optimistic as well, but not as much as analysts."

The 26 percent earnings growth estimate for U.S. stocks was seen as a substantial overshot by many experts, some of whom felt that about half that figure was more realistic.

"Twenty-six percent is undoable," said Melissa Brown, a quantitative specialist at Prudential Securities Research in New York. "Inflation is low and volume growth is up, but not up dramatically. You need big growth in revenues if you're going to get that kind of growth in earnings. I think 10 to 15 percent is more like it, and that's still pretty good."

David Shulman, U.S. strategist for Salomon Brothers in New York, concurred: "You're not going to see numbers like that [26 percent]. I say 11 to 12 percent, with U.S. gross national product growing at just under 3 percent."

Ms. Brown added that the largest blights on the earnings horizons of U.S. companies may be the flagging economies of major trade partners such as Germany and Japan. That sentiment is shared by economists, who fear that a burgeoning U.S. recovery will be reigned in by increasingly sluggish export sales.

Indeed, a report released this past week by the International Monetary Fund in Washington predicted 1993 economic growth of about 1 percent in Germany and 2.5 percent in Japan, down from the forecasts of 2.6 percent in Germany and 3.8 percent in Japan made by the IMF in September.

Thomas Neisse, head of equity research at Deutsche Bank Research in Frankfurt, said the IBES survey's 3 percent earnings growth prediction for Germany was "generous."

"Minus 3 or 4 percent would make more sense," he said. "We're forecasting the DAX industrials at minus 10 percent in earnings for '93. If you include the financials, that brings it up to minus 6 percent. But the whole DAX could be minus 10 depending on how far down the economy actually falls. We're predicting GDP of 0.7 percent now, but that could be minus 1 percent by January 1."

Mr. Neisse said the first two quarters of 1993 are expected to be especially tough in Germany, as prices are under extreme pressure. Industrial volume is not expected to drop substantially, he added, but easily could, worsening the situation. "Our only hope is that the dollar will rise to 1.8 against the Deutsche mark, which would support present price levels," he said.

This week the dollar was valued at between 1.5 and 1.6 Deutsche marks.

The analysts' forecast of 11 percent earnings growth for Japanese stocks is also being perceived as overly sanguine by some experts on that market. Soft spots in the once-impregnable Japanese auto industry, as well as troubles in the building sector are being cited as likely to drag the country's earnings down.

"We think overall earnings will be down between 1 and 2 percent," said Shozo Ishibashi, associate managing director of Tokyo-based Nomura Research Institute. "Manufacturing should be up 2 to 3 percent, but cars should be down 13 percent and construction companies down about 20 percent. Orders may pick up for builders, but those earnings won't show up until 1994."

Mr. Ishibashi said the car industry was hurting for two main reasons: declining exports to the United States and Western Europe, and a slide in domestic sales of highly profitable luxury automobiles, as conspicuous consumption has become less socially acceptable amid the Japanese recession.

Mr. Ishibashi added, however, that the IBES survey seemed more on target in estimating the average share price-to-earnings ratio (P/E) of listed Japanese companies for 1993: a somewhat astronomical multiple of 40.

"A P/E of 35 to 40 is very high, but a reasonable guess in today's climate," he said. "Interest rates are low and investors are hoping for future earnings growth in equities, so they'll tolerate higher multiples. And decent economic growth will return to Japan within the next five years, but not much in '93."

The P/E ratio is derived by dividing a company's share price by its earnings per share. A high P/E, usually over 20, indicates that investors are expecting substantial growth from a stock, but can also signal increased risk, as shares are trading at a price that is many times that of earnings-per-share.

The IBES survey's forecast of 17 percent earnings growth in France has received somewhat favorable reviews for accuracy. "That's at least a relatively good indication of the consensus," said Philippe Lubineau, a French market specialist at Barclays de Zoete Wedd in Paris. "We're estimating 11 percent ourselves and we're a little conservative."

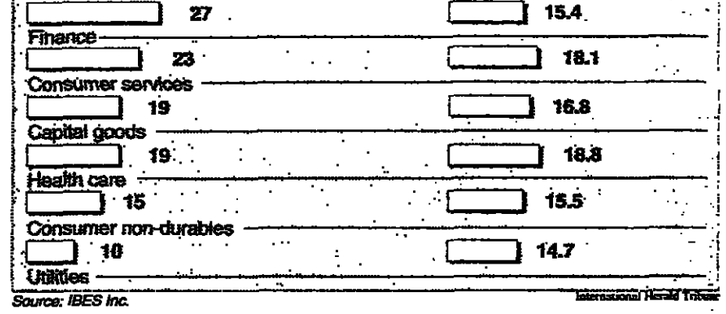
Mr. Lubineau said that the French economy, which he predicted would grow by about 1 percent overall in 1993, contained a mixture of positive and negative elements. On the plus side, he said, the benefits of massive cost-cutting programs undertaken by many French companies in 1991 and 1992 should start showing up in 1993 earnings. On the other hand, prices are under as much pressure in France as in the rest of Europe.

The outlook appears better in Britain, although the survey's prediction of 25 percent earnings growth is, again, seen by many as too high. Some view Britain as having at last turned the corner toward recovery.

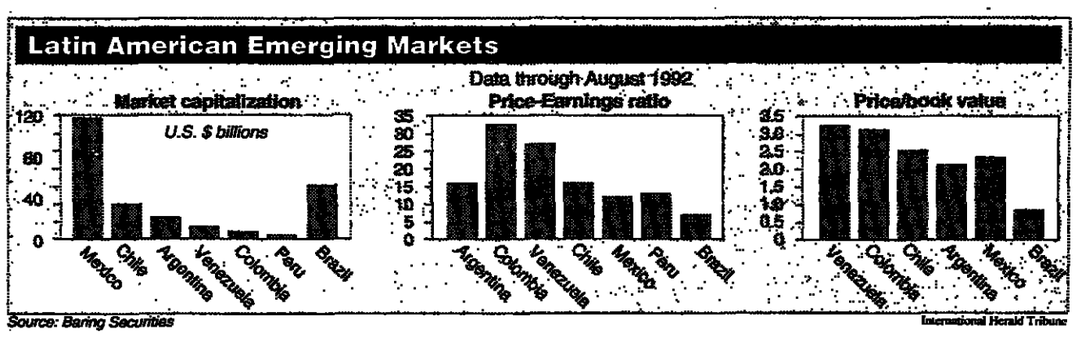
"Earnings growth of 15 to 16 percent based on overall economic growth of about 2 percent is fully reasonable," said Jerry Evans, U.K. strategist for County NatWest Securities in London. "And that would be a significant change for the better. We're certainly not into a big recovery, but fortunately, things aren't getting any worse."

Seeking the Big Earners for the New Year

Estimates for earnings per share growth and average price-earnings ratio for companies listed on stock exchanges, by country and worldwide by industry sector.



Source: IBES Inc. International Herald Tribune



Source: Baring Securities International Herald Tribune

Latin America After the 'Lost Decade'

By Karina Robinson

THIS new year, like many before it, promises profit and pitfalls for Latin American investors. Those who have committed to markets such as Mexico and Chile in recent years will have been well rewarded, but the old maxim that there is no profit without risk is well illustrated by the delicate business of investing in the region.

"There are potential problems in Latin America, certainly," said one investment expert. "What are they? First, politics. Second, politics. And third, politics." After a glance at recent headlines it isn't difficult to see what he means: The Uruguayan government's privatization plans have foundered on the negative result of a referendum, Brazil's economy minister has tendered his resignation, and the Chilean privatization of copper production is facing strong domestic opposition.

While investing conditions can still be difficult, nowadays Latin America presents a vastly different — and better — picture than that existing in 1982, when Mexico's suspension of debt repayments triggered the debt crisis. The following 10 years, the so-called "lost decade," were marked by capital leaving the region in annual sums equal to more than $20 billion in some years, while international capital markets were closed to borrowers.

As a result, investment needs are immense. Now that most of the region can point to democratically elected leaders, a general liberalization of economic regimes and strong economic growth, their thirst for capital has been estimated by Salomon Brothers at $20 billion in bonds alone over the next year.

"The infrastructure needs — housing, roads, telecommunications — are an area of growth for a minimum of 10 years," said James Remington-Hobbs, a director at Baring Securities in London. "They are the backbone of any economy. In Mexico, they need to build 500,000 houses each year for the next 10 years to catch up with demand."

Mexico is, in fact, an anomaly compared with the rest of Latin America. The North American Free Trade Agreement means its economic ties to the United States are even stronger than before. Political upheavals have in any case been limited by its strategic location in the backyard of the United States.

Tom Priday, head of the Emerging Markets Group at Paribas Capital Markets in London, said: "Now that Mexico has its currency under control, reasonable inflation and the perspective of NAFTA, U.S. bond investors have been studying it more carefully. Low yields in the United States have made them look farther afield for higher yields. For example, in broad terms, Mexican government risk is 250-300 basis points over U.S. Treasuries, while top corporate risk is 400-500 basis points over Treasuries."

It is not only U.S. investors who are interested in Latin America. Europeans are being tempted as well by high yields and the general emerging-markets vogue, while flight capital is working its way back.

Other than straightforward bonds, another way of investing in Latin America is through Brady Bonds. Named after the former U.S. Treasury secretary, Nicholas F. Brady, these result from debt-reduction agreements with foreign bank creditors. Mexican Brady bonds, along with Venezuelan ones, have registered a 75 percent cumulative return in the last two years, according to the Salomon Brothers index of Brady bonds.

The launch of the $50 million Morgan Grenfell Latin American Brady Fund in October represents an attempt to capture similar funds by investing in Brazilian and Argentine debt before the signing of Brady agreements.

"Loans, when converted to bonds, increase in value due to the liquidity factor," said Ric Haller, managing director of Morgan Grenfell's Debt Arbitrage and Trading division. "There are capital gains possibilities, instead of income, so the fund is really equity although it would be classified as debt. For example, Peruvian debt was at 4.5 cents to the dollar at the beginning of 1991 and it is now at 18 cents, a 350 percent increase."

Most issuers try to minimize the perceived risk so as to attract investors — any tie to a more developed economy is beneficial. Armco Chile, a subsidiary of the U.S. steel group, is to float 60 percent of its equity on the Chilean stock market in early 1993.

Other multinationals may well be following suit. One of the latest Brazilian bond issues was for Banco Sudameris, which is a subsidiary of a European bank. "At 575 basis points over Treasuries, it was an implicit European risk with Latin American rates," said Mr. Priday of Paribas. "Pure Brazilian risk is difficult to sell."

The impeachment process of suspended President Fernando Collor de Mello has put Brazilian issues on hold, while Acting President Itamar Franco's more *dirigiste* policies are making investors even more wary of an already unstable situation. "Other markets have reached valuations that are broadly okay," said Richard Watkins, chief executive of Latinvest Securities in London. "Brazil still has a heavily discounted market. The country could slip into hyperinflation, people are looking at the possibility of economic chaos. So, if we started seeing clear evidence of economic and political stability, we could see a major turnaround in investor sentiment."

Mr. Remington-Hobbs of Baring Securities agrees with this, suggesting that any serious investor should have 5 to10 percent of a Latin American portfolio invested in Brazil. There are 11 listed regional funds with Brazilian exposure. For those willing to gamble, there are four Brazilian country funds listed on either the New York Stock Exchange or the London Stock Exchange.

Chile is a very different case. Even before the democratically elected government of Patricio Aylwin came to power three years ago, its macroeconomic policies, under the influence of the Chicago School, were unusual in Latin America.

It is also far advanced in stock market development, with a strong institutional base in the form of private pensions. According to Baring Securities, around $5 billion of these funds, representing nearly 14 percent of market capitalization, is invested in the equity market. This gives a stable base to the market, aided by investment restrictions on the repatriation of foreign capital. At the moment, foreign funds must remain in Chile for a minimum of a year.

Meanwhile, the fourth of the larger Latin American countries, Argentina, is forging ahead with privatization. Having signed its Brady debt reduction agreement in December, it can now access the international capital markets at cheaper rates. "The last government issue out of Argentina was in September," said Mr. Priday. "It was aggressively priced at 300 basis points over U.S. Treasuries and is now trading around 375 over." The next issue should see a lower yield.

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The Long and the Short of Hedge Funds

By Rupert Bruce

JUST seven months after opening the doors of his worn two-room office in London's West End for business, Crispin Odey, managing director of Odey Asset Management, is looking after $150 million — more than some investment managers would dream of attracting in a lifetime.

He is the latest addition to a small but growing band of European hedge fund managers. Others that use this method include Arral Associates, Buchanan Partners and IFM Asset Management.

They have all been successful in attracting money, mainly from wealthy individuals and multi-manager mutual funds, but also from institutional investors. The secret of their growing success is what they would call "absolutism."

"The whole idea of a hedge fund, when they were first set up in the United States for rich individuals in the late 1960s, was to reduce volatility and to produce absolute performance rather than relative performance," said Mr. Odey.

Traditional equity funds tend to measure their performance against that of a benchmark stock market index, and if that goes down, so do they. But hedge funds disregard the index and can produce positive returns from investing in a stock market even when it is falling sharply. A pure hedge fund will also be less volatile.

This is because hedge funds do not just buy shares and hold them, they also effectively sell shares they do not own. These are known respectively as long and short positions. So, if a hedge fund manager thinks a share price is about to rise, he can profit by taking a long position in it — like any conventional fund manager. But if he thinks the price is about to fall, he can also profit by taking a short position.

When a hedge fund manager chooses to manage a fund by taking both long and short positions, as most do, it tends to be less volatile than a traditional long fund. If a stock market index falls by 20 percent, say, a traditional investor with long positions would do well to limit the corresponding fall in his fund to 10 percent. The hedge fund manager, on the other hand, would see his long positions fall in value, but the short positions would rise.

There is a further aid to hedge fund performance in the very act of short-selling. This is done by borrowing shares from a bank and selling them on. There is a charge of about 1.5 percent for this, and the hedge fund manager will also have to pay the shares' dividends, of about 4 percent, to whoever bought the shares. The money from the sale can then be deposited at money market rates of as much as 9 percent.

The results of skillfully executed hedge fund management speak for themselves. In German mark terms, the Odey European Inc. fund rose by 11.5 percent, between June 1 and November 30, while the FTA Europe index fell 15.1 percent.

Likewise, in local currency terms, Buchanan Partners' The Buchanan-Alpha European Hedge Fund has risen by 13.5 percent since the beginning of the year, easily outstripping the FTA Europe index, which added 2.9 percent.

In the United States, where a large number of hedge funds sprung up during the 1980s, the performance of the best hedge fund managers is such that some are refusing to take any more money. A good example is George Soros's Soros Fund Management, which with more than $6 billion under management is the largest hedge fund manager in the United States.

But, while U.S. hedge funds are prospering right now, they suffered some catastrophic losses in the bear market of the early 1970s. At that time, many hedge funds were used to leverage long exposure to the equity markets, rather than reducing volatility.

This illustrates that hedge funds really just allow fund managers more freedom of maneuver than traditional long funds. They can be used to reduce volatility or increase it. Although most choose the former, some do not.

In a strong bull market, however, classic hedge funds that take long and short positions will tend to underperform.

Another common complaint is that hedge funds are expensive. They typically charge a 1 percent annual management charge and take 10 to 20 percent of any profits above a certain level. The more expensive ones will charge this performance fee annually even if an investor loses money in the first year of investing. But most only charge a performance fee if an investor is showing a net gain since the investment was made.

Investors who want to buy hedge funds outside the United States can do so either by approaching managers directly or through multi-manager funds. The latter tend to be offshore umbrella funds that employ a number of hedge fund managers to run subfunds. Two of the better-known groups are Global Asset Management and Alpha Asset Management.

In most cases, this is a rich man's club. The minimum investment in the Odey European Inc. fund is comparatively modest at 50,000 German marks. And the Alpha Asset Management funds exist partly to look after the founding families' fortunes.

BRIEFCASE

Pernod-Ricard Launches ADRs on a U.S. Exchange

Americans who never quite managed to acquire a taste for France's anise-flavored Pernod now have a more palatable — and hopefully profitable — approach to consider: a dollar-denominated stake in Pernod-Ricard, the largest producer and distributor of spirits in Continental Europe.

The company has just launched American Depositary Receipts (ADRs) — securities which have a value akin to share prices — on the U.S. over-the-counter exchange. The move is part of the company's strategy to gain a more international shareholder base.

Pernod-Ricard markets its beverages in 150 countries, and is best known for Ricard, Pastis 51 and Pernod in the anise-based spirits category. It also sells whiskeys such as Wild Turkey and Clan Campbell, and is now making a concerted move into nonalcoholic drinks. It already markets Orangina and Yoo-Hoo, a chocolate-flavored drink.

Pernod-Ricard's consolidated net income was 983 million French francs (182 million) in 1991, compared to 1.12 billion francs the previous year. But if the proceeds of selling off its champagne business were excluded from its 1990 results, net income for 1991 was up by 8.3 percent.

The company's ADRs are currently trading at around $16, with four ADRs representing one ordinary share on the Paris Bourse.

A Smile on the Credit Card Discourages Plastic Fraud

U.S. credit card holders may find themselves smiling for the camera in 1993.

The reason? After Citibank, the nation's largest issuer of bank credit cards, started using photos on their plastic last April, losses from fraud dropped 67 percent in the New York area alone. If the trend continues, said Robert McKinley of RAM Research, a credit card newsletter, other issuers will surely follow.

The cost of adding a photo to a card is about $1 per account, but that is a small price for issuers to pay, considering the staggering amounts that are lost to fraud each year. VISA and MasterCard issuers have been hit by nearly $2 billion on rip-offs in the past five years, and it is estimated that the bill for 1992 will exceed $700 million.

Amex Goes International With Frequent Flyer Plan

The frequent flyer program, once a predominantly American phenomenon, is spreading its wings, courtesy of American Express. Holders of an Amex charge card booking flights with Aeromexico in Mexico and Qantas in Australia can now accumulate



frequent flyer miles if they purchase tickets using their cards.

Tomaso Zanzotto, president of American Express Travel Related Services Company International, described the airlines as "the lead carriers in their own markets." He welcomed them "as the first partners in [an] international program."

Amex has a U.S. program, which includes Delta, Northwest, Continental, and Southwest Airlines. A spokesman for Amex said important announcements concerning developments in other major markets were to be expected in the new year.

THE MONEY REPORT

Lift for Ski Resort Market

By Aline Sullivan

THE market for investing in ski resorts, for many years hopelessly illiquid, shows signs of thawing as entrepreneurs in North America and Europe look for ways to exploit a growing enthusiasm for the sport worldwide.

The first boom in ski resort development took place in the early 1960s, when resorts such as La Plagne in France and Whistler in British Columbia geared up to meet the demands of mass tourism. Thirty years on, a new wave of development is taking place as resorts invest in the means to gain competitive advantage in the 1990s: snow-making equipment, new and refurbished restaurants, better chairlifts.

In the process, traditional patterns of ski resort ownership are changing. In France in the 1960s, local municipalities commonly funded ski resort development with the aid of low interest loans from the government. Subsequent green winters and economic recession pushed many of these resorts into bankruptcy, making them the responsibility of the state-run Caisse des Dépots.

Today, private-sector firms such as the construction giant Spie Batignolles, which owns Valmorel in the French Alps, are carving some resorts up and selling them off to private investors. The French bank Crédit Lyonnais last month bought Flaine, a medium-sized resort created by Eric Boulssonnas, who discovered the area in 1959 on an exploratory ski tour.

Swiss and Austrian ski resorts are mostly owned by regional government authorities and managed by independent ski lift companies, shares of which are listed on local stock markets. These resorts are also in need of modernization. They are less strapped for cash than their French counterparts but powerful environmental lobbies in both countries have been successful in blocking development.

Expectations of increased interest in the sport have also boosted development of European resorts far from the Alps. In recent years, record numbers of skiers have visited resorts in Scandinavia, the Pyrenees and Eastern Europe. In Scotland, there is scope for at least two more ski resorts in addition to the existing five, according to a recent report by the Scottish Sports Council.

Again, a funding crunch looms. Aviemore, which accounts for about half the skiing market in Scotland, needs to raise at least £10 million ($16 million) in the next five years to replace equipment and add new facilities, said Tom Whittome, manager of the Cairngorm Chairlift Co., which runs much of the Aviemore resort.

"We would welcome private capital now," said Mr. Whittome. "Without the money, we will become less attractive to skiers." Aviemore, which is currently owned by a nonprofit trust and receives about 20 percent of its funds from government contributions, makes on average between £200,000 and £300,000 a year.

However, most European ski resorts remain firmly in the hands of local authorities. Investors hoping to participate in the market will find it easier in North America, where investments are more liquid and property prices have dropped dramatically following bid gains during a spate of Japanese investment in the 1980s.

One of the biggest publicly traded resort operators is Vermont-based S-K-I Ltd., which runs three major U.S. resorts, two in Vermont and one at Bear Mountain in Southern California. The company is quoted on the Nasdaq stock exchange and has over 3,000 shareholders.

According to S-K-I's president, Preston Leete Smith, the number of skiers at the company's three resorts is up 19 percent so far this year from the same period last year. "There seems to be a great deal of excitement about skiing in our markets right now and we are looking forward to a strong season," he said.

S-K-I's shareholders received a modest dividend rise in the year to the end of November 1992, from 9 cents last year to 10 cents, as their reward for the boom in business at the company's resorts. The company says it has reinvested much of its profits in recent years and soon expects to pay higher dividends. Killington, S-K-I's biggest Vermont resort (Mount Snow is the other), boasts the longest ski season of any resort in North America, thanks to its state-of-the-art snow-making equipment.

An analyst's report earlier this month by Value Line Publishing appears to support Mr. Smith's optimism. S-K-I has a "wide potential market," the report said. However, it cautioned that investors may want to wait for a rise in earnings before making a substantial commitment to the company.

Other publicly traded ski resort companies in the United States are Great American Recreation Inc., which owns Vernon Valley and Great Gorge in New Jersey; and Blue Ridge Construction Co. in Blakeslee, Pennsylvania, which owns the Big Boulder and Jack Frost ski areas.

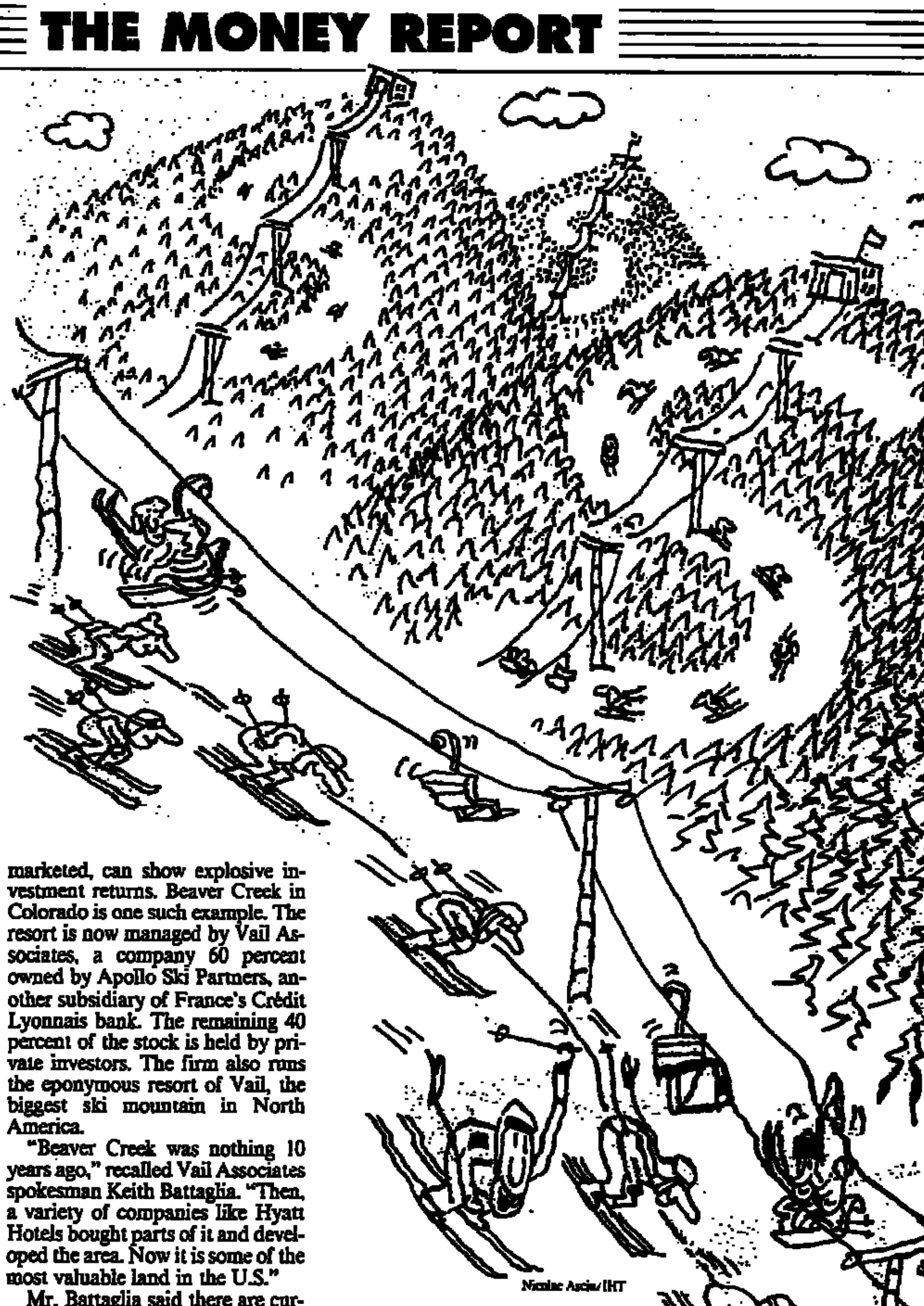
In Canada, Mont Saint Sauveur International in Quebec owns Jay Peak in Vermont and Mont Habitant and Mont Saint Sauveur in its home province. Corporation de Développement Intrawest in Vancouver owns Blackcomb and Whistler Mountains in British Columbia.

The challenge facing many of these companies is to convince investors to shrug off the gloom that has settled on much of the North American real estate market in recent years, and invest in the future. They can cite plenty of evidence to suggest that high quality ski areas with up-to-date amenities, well marketed, can show explosive investment returns. Beaver Creek in Colorado is one such example. The resort is now managed by Vail Associates, a company 60 percent owned by Apollo Ski Partners, another subsidiary of France's Crédit Lyonnais bank. The remaining 40 percent of the stock is held by private investors. The firm also runs the eponymous resort of Vail, the biggest ski mountain in North America.

"Beaver Creek was nothing 10 years ago," recalled Vail Associates spokesman Keith Battaglia. "Then, a variety of companies like Hyatt Hotels bought parts of it and developed the area. Now it is some of the most valuable land in the U.S."

Mr. Battaglia said there are currently no plans for a public share offering. However, there are opportunities to invest in nearby land, he said.

For individual investors, opportunities to back the development of virgin ski slopes such as those at Beaver Creek occur rarely. But most investment opportunities center on established resorts seeking funds to upgrade their facilities. Here the potential returns are likely to be less spectacular, varying with the popularity of the sport and the resorts' ability to attract international tourism.



Nicolae Asciu/IHT

Expatriate Pay Packages Need More Homework

By Tony Wakeford

A FREQUENT problem with expatriate assignments to hardship posts, and one that often is not resolved early enough, is how to structure an appropriate compensation package.

Take the hypothetical case of Universal Inc., for example. The company wants to send Mr. Expatriate to manage its plant in Erewhon for some three or four years. Erewhon has a high rate of personal income tax and very strict exchange controls. It is a difficult and hostile environment in which to live and work, and Mr. Expatriate had to be given a significant cash incentive to go there.

So he asks the personnel director of Universal how he can structure a package to build up worthwhile personal savings in a hard currency outside of Erewhon.

The usual solution is a sensible remuneration package onshore in the host country, to enable Mr. Expatriate to meet the costs of having a reasonable life there, and some additional remuneration offshore, out of which he can save.

That's where the trouble starts.

It is a fairly safe assumption that Mr. Expatriate will become resident of Erewhon for tax reasons, and that when he files his tax return there, he should report his worldwide income. But for most expatriates, this reporting will not actually happen so far as the offshore element of his package is concerned. Such an omission almost certainly represents a fiscal offense in the host country, and Universal Inc. is arguably conniving at it, to a greater or lesser degree.

Assuming the company goes ahead with this idea, where in the group, exactly, is the offshore payment to be expensed? Now, the group probably has a little company in some jurisdiction that imposes only a low rate of corporate tax, or none at all. Helped possibly by banking secrecy and the lack of a requirement to file audited financial statements, the group may accordingly decide to let Taxhaven Co. bear the expense.

But then, the tax adviser gets wind of all this and says, "Hold it, you are not getting an effective deduction for this payment, in computing taxable profits within the group." The offshore payment to Mr. Expatriate will reduce any tax payable only at Taxhaven Co., and it may not even do that because the tax authorities in the jurisdiction may say that the payment has nothing to do with earning the profits of Taxhaven Co.

Some would point out that, if the whole package had been paid onshore, even though the gross amount would have had to be far greater to give Mr. Expatriate the same net sum in his pocket, the after-tax cost to the group might not have been significantly greater, and at least the taint of illegality would be removed.

This would not, of course, satisfy Mr. Expatriate, because he might have considerable difficulty in getting his savings out, through the controlled local exchange rate, into a hard currency area.

So what can be done? The group treasurer might argue that Taxhaven Co. should make a management charge to the Erewhon subsidy, which also would deal with any problems raised by the tax authority.

But this may not be the easy answer it seems. In the first place, under the tax and/or exchange-control laws of some developing countries, such charges may only be made for the supply of technology not already available within the host country.

Many groups would leave Taxhaven Co. out of this altogether and accept any local tax disadvantages in Erewhon.

ADVERTISEMENT

INTERNATIONAL FUNDS

Dec. 24, 1992

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly.

Fund	Currency	Value
ABC INVESTMENT & SERVICES CO (E.C.)		
m ABC Futures Fund Ltd.	$	115.37
m ABC Islamic Fund (E.C.)	$	118.75
ABN AMRO BANK, P.O. Box 449, Amsterdam		
w Columbia Securities	Fl	131.09
w Trans Europe Fund Fl	Fl	74.50
w Trans Europe Fund $	$	42.72
w Airarda	Fl	200.50
AIG FUND MANAGEMENT Ltd		
d AIG Amer. Eq. Trust	$	28.0915
w AIG Balanced World Fd	$	102.3429
w AIG Japan Fund	$	89.8523
w AIG South East Asia Fd	$	139.3865
d High Life Fund	Ecu	7.11
d UBZ Euro-Optimizer Fund	Ecu	11.28
d UBZ Liquidity Fund $	$	108.8983
d UBZ Liquidity Fund DM	DM	114.2994
d UBZ Liquidity Fund Ecu	Ecu	113.2298
d UBZ Liquidity Fund SF	SF	113.8259
ALFRED BERG		
d Alfred Berg Norden	$	121.27
Alfred Berg Sicav		
d Far East	$	96.72
d Germany	DM	177.36
d Global	$	139.81
d Netherlands	Fl	149.83
d North America	$	110.70
d Switzerland	SF	128.39
d U.K.	£	66.35
ALPHA FUND MANAGEMENT, LTD		
48 Par-La-Ville Rd, Hamilton, HM11 Bermuda		
w Alpha Asia Hedge Fund	$	90.73
w Alpha Europe Fund	Ecu	177.72
m Alpha Futures Fund Ltd.	$	77.02
m Alpha Global Fund	$	714.95
m Alpha Hedge Fund	$	289.20
m Alpha Hedgehere Neutral	$	101.42
m Alpha Japan Spec. Hon Fd	$	263.25
m Alpha Latin America	$	138.69
m Alpha Neutral	$	104.22
m Alpha Pacific Fund Ltd.	$	259.51
m Alpha SAM	$	100.45
m Alpha Short Fund Ltd	$	88.48
m Alpha Tiltdale Fund	$	139.62
m Alpha Worldinvion	$	113.34
m Buchanan-Alpha Eur.Hdge.	Ecu	115.24
m Carran-Alpha Hith Care Fd	$	359.64
w Heisei Japan Fund	Y	8180
w Nicholas-Applegate Aurelio	$	178.54
w Nicholas-Applegate Hedge	$	133.82
m Sage International Fd	$	101.58
ARRAL ASSOCIATES LTD		
w Arral American Quant Fd	$	11.32
w Arral Asian Fund	$	216.53
w Arral Int'l Hedge Fund	$	154.06
BAIL, 11 Place Vendome, 75001 Paris		
m Intermarket Fund	$	557.98
Intermarket Multicurrency Fund		
m Class A	FF	2097.33
m Class B	$	211.74
m Class C	Y	59851.00
BANQUE BELGE ASSET MGMT FUND		
Store Distributor Guernsey 0481 726414		
w Int'l Equity Fund (Sicav)	$	10.40
w Int'l Bond Fund (Sicav)	$	14.39
w Dollar Zone Bd Fd (Sicav)	$	11.34
w Sterling Equity Fd (Sicav)	£	1.075
w Sterling Bd Fd (Sicav)	£	1.301
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.		
b Ariane	$	4746.76
d Asia/Japon Emerg. Growth	$	9.91
w Esprit Sicav	Ecu	1032.40
b Government Secur. Fd	$	64.77
w Hispano Int'l Fund	Ecu	11.02
w Latcom	$	1570.85
b Opportunities	$	864.77
b Optigest Fixed Income	DM	127.98
b Optigest Global General	DM	144.37
d Pacific Nies Fund	$	5.76
f Select. Horizon FF	FF	74281.37
d The Europe Japan Fund	$	9.08
BANQUE INDOSUEZ		
w The Dragon Fund Sicav	$	112.17
m Japan Gtd Fd A (30/11/92)	$	83.26
m Japan Gtd Fd B (30/11/92)	$	90.46
m Galaxy Futures Fund Ltd	$	108.74
m Dual Futures Fd Cl A Units	$	126.39
m Dual Futures Fd Cl B Units	$	118.56
m Dual Futures Fd Cl C Units	$	116.56
m Dual Futures Fd Cl D Units	$	115.20
m Maxima Fut. Fd Ser. 1 CL A	$	121.18
m Maxima Fut. Fd Ser. 1 CL B	$	112.96
m Indosuez Curr. Cl A Units	$	127.28
m Indosuez Curr. Cl B Units	$	106.86
w IPNA - 3	$	472.00
d ISA Asian Growth Fund	$	38.51
d ISA Japan Res. Growth Fd.	Y	696.00
d ISA Pacific Gold Fund	$	9.54
d ISA Asian Income Fund	$	8.71
d Indosuez Korea Fund	$	8.89
w Shanghai Fund	$	4.44
w Himalayan Fund	$	12.82
w Manila Fund	$	11.82
w Malacca Fund	$	11.48
w Siam Fund	$	29.58
d Indosuez Hong Kong Fund	$	27.640
d Oriental Venture Trust	$	40.240
d North American Trust	$	38.140
d Singap & Malay Trust	$	16.080
d Pacific Trust	HK$	22.040
d Tasman Fund	$	4.420
d Japan Fund	$	12.045
w Managed Trust	$	20.735
d Japan Warrant Fund	$	0.45
d Worldwide Growth Fund	$	9.73
BANQUE PRIVEE E. DE ROTHSCHILD		
w Daiwa Capital Eq. Fund	$	936.63
w Daiwa LCF Rothschild	$	1045.54
w Ecardor	Ecu	56.81
d Force Cash Opti Taux d'Int.	Ecu	1062.21
d Force Cash Opti USD/DEM	Ecu	1063.96
b Source Sicav	$	15.94
BANQUE SCANDINAVE A LUXEMBOURG		
w Universal Eurosec ECU	Ecu	99.3751
w Universal Intelsec USD A	$	14.1851
w Universal Intelsec USD B	$	14.6715
w Universal Intelbond USD A	$	16.6612
w Universal Intelbond USD B	$	18.5043
w Universal Finnsec Global	FM	152.9492
w Universal Intelbond FRF A	FF	109.3912
w Universal Intelbond FRF B	FF	128.1476
w Universal Far East A	$	15.4593
w Universal Far East B	$	15.4593
w Universal Japan A	Y	961.5792
w Universal Japan B	Y	961.5792
w Universal Parsec B	FF	105.0082
BANQUE SCANDINAVE EN SUISSE-GENEVA		
w Intelbond-Chf	SF	79.70
w Intelsec Chf	SF	159.80
w Swissfund Chf	SF	104.50
BDD ASSET MGMT (LUXEMBOURG) S.A.		
w BDD Inv Fund-Ecu Bonds	Ecu	5946.40
w BDD Inv Fund-Ecu Cash	Ecu	5498.67
w BDD Inv Fd-Euro Equities	Ecu	4575.86
w BDD Inv Fund-US$ Bonds	$	3058.14
w BDD Inv Fund-US$ Cash	$	5124.90
w BDD Inv Fd-North Am Eq	$	5472.56
BRP LUXEMBOURG		
w Interecu Fund A	Ecu	323.92
w Interecu Fund B	Ecu	1148.43
INTER CASH		
f France Monetaire	FF	13410.06
f France Securite	FF	15848.16
f Inter Cash DM	DM	2578.16
f Inter Cash Ecu	Ecu	1735.05
f Inter Cash GBP	£	1384.47
f Inter Cash USD	$	1193.73
f Inter Cash Yen	Y	161428
INTER OPTIMUM		
w Interbond USD	$	263.07
w BEF/LUF	BF	93802.00
w Multidevises DM	DM	2608.52
w USD	$	1260.99
w FRF	FF	13434.17
w ECU	Ecu	1047.95
INTER STRATEGIE		
w Australie	$	8.59
w France	FF	9701.83
w Europe du Nord	£	1047.63
w Europe du Centre	DM	1947.58
w Europe du Sud	Ecu	632.21
w Japon	Y	182495
w Amerique du Nord	$	1365.22
w Sud-Est Asiatique	$	995.55
BROADGATE INTERNATIONAL FUND		
d $ Money Market	$	15.26
d Non-$ Money Market	DM	39.17
d $ Bond	$	16.81
d Non-$ Bond	DM	37.99
d Global Equity	$	16.48
d Global Bond	$	18.24
d Global Bond & Equity	$	16.22
d Prec. Mets/Min. Secs.	$	4.88
d Pacific Equities	$	10.89
d European Equities	$	9.83
BUCHANAN FUND LIMITED		
c% Bank of Bermuda Ltd: (809) 295-4000		
w Global USD	$	10.24
w Global GBP	£	10.51
w European & Atlantic	$	10.12
w Pacific	$	10.23
w Emerging Markets	$	10.54
CAISSE CENTRALE DES BANQUES POP.		
d Fructilux - Obl. Fses A	FF	7400.59
d Fructilux - Obl. Euro B	Ecu	1379.67
d Fructilux - Actions Fses C	FF	6474.22
d Fructilux - Actions Euro D	Ecu	1156.79
d Fructilux - Court Terme E	FF	7588.10
CALLANDER		
w Callander Emer. Growth	$	125.00
w Callander F-Asset	$	119.44
w Callander F-Austrian	AS	865.70
w Callander F-Spanish	Pta	6422.00
w Callander F-US Health Care	$	86.89
w Callander Swiss Growth	SF	104.92
CAPITAL INTERNATIONAL		
w Capital Int'l Fund	$	100.74
w Capital Italia SA	$	32.69
CDC INTERNATIONAL		
w GFI Court Terme	FF	157134.23
w GFI Long Terme	FF	1297277.49
CIC GROUP		
d Obliclc Court Terme	FF	14695.12
d Obliclc Monetaire	FF	14483.55
CITIBANK (LUXEMBOURG) S.A.		
POB 1373 Luxembourg Tel. 477 95 71		
d Citinvest Guardian Euro	Ecu	1258.27
d Citinvest Mngd Growth	$	1144.85
d Citinvest Grth Euro	Ecu	1117.48
d Citinvest Selector	$	1144.85
d Citicurrencies USD	$	1568.95
d Citicurrencies GBP	£	158.82
d Citicurrencies DEM	DM	130.78
d Citicurrencies Yen	Y	11987.00
d Managed Currency Fund	$	146.81
d Citiport N.A. Equity	$	235.44
d Citiport Japan Equity	Y	4293.00
d Citiport UK Equity	£	121.13
d Citiport IAPEC	$	142.46
d Citiport Cont. Euro Equity	Ecu	124.16
d Citiport Eamec	$	110.81
d Citiport German Equity	DM	69.75
d Citiport Swiss Equity	SF	93.76
d Citiport French Equity	FF	1143.28
d Citiport N.A. $ Bond	$	151.72
d Citiport Euro Bond	Ecu	131.78
d Citiport Pacific Bond	Y	13115.00
d Citiport Austr. Dollar Bond	A$	111.63
CITITRUST		
w US $ Equities	$	252.54089
w US $ Bonds	$	16.02677
w US $ Money Market	$	15.24281
w Citiland	$	1152.14223
m Citiperformance Ptfl S.A.	$	10.53560
w The Good Earth Fund	$	14.28147
COMPASS INTL HOLDINGS LTD.		
POB 455, Jersey 0534 27267		
w Bond : Dollar Med. Term	$	12.31
w Bond : Ecu Multicurr.	Ecu	12.05
w Equity : United Kingdom	£	9.20
CRAGNOTTI & PARTNERS		
w C & P Futures I Fund	$	1002.44
w C & P Diversified Fund	$	932.65
w C & P Dollar Plus	$	1040.50
w C & P $ Allocation Plus	$	1003.60
w C & P Universal Plus	$	1011.88
w C & P Forex Plus	$	1021.50
w C & P Global Hedge	$	945.80
CREDIT AGRICOLE : MOSAIS		
d Actions Int'l Diversifiees	FF	106.60
d Actions Nord-Americaines	$	20.88
d Actions Japonaises	Y	1715.81
d Actions Anglaises	£	12.96
d Actions Allemandes	DM	28.88
d Actions Francaises	FF	109.42
d Actions Esp. & Port.	Pta	2377.67
d Actions Italiennes	Lit	22280.87
d Actions Bassin Med.	Ecu	15.56
d Actions Bassin Pacifique	$	20.55
d Actions Europeennes	Ecu	15.07
d Actions Agro-Alimen.	FF	115.34
d Actions Sect. Comm.	FF	101.93
d Oblig Int'l Diversifiees	FF	114.53
d Oblig Nord-Americaines	$	18.10
d Oblig Japonaises	Y	2299.90
d Oblig Anglaises	£	12.71
d Oblig Allemandes	DM	36.08
d Oblig Francaises	FF	132.83
d Oblig Esp. & Port.	Pta	2284.71
d Oblig Italiennes	Lit	29001.85
d Oblig Europeennes	Ecu	18.51
d Oblig Haut Rendement	FF	17.53
d Oblig Div Sensib Red	FF	113.21
d Oblig Convert. Intern.	FF	123.39
d Court Terme Ecu	Ecu	20.00
d Court Terme USD	$	16.83
d Court Terme FRF	FF	128.35
CREDIT COMMERCIAL DE FRANCE		
d Elysees Monetaire	FF	80910.18
d Europe Prest. Fund A	Ecu	8.25
d Europe Prest. Fund B	Ecu	10.39
CREDIT SUISSE		
d CSF Bonds	SF	77.758
d Bond Valor Swf	SF	98.916
d Bond Valor US - Dollar	$	112.642
d Bond Valor D - Mark	DM	106.215
d Bond Valor Yen	Y	10013.389
d Bond Valor £ Sterling	£	99.125
d Convert Valor Swf	SF	137.568
d Convert Valor US - Dollar	$	179.856
d CSF International	SF	129.874
d Actions Suisses	SF	614.072
d Europa Valor	SF	211.877
d Energie - Valor	SF	129.890
d Pacific - Valor	SF	107.346
d CS Gold Valor	$	82.777
d CS Tiger Fund	$	728.487
d CS Ecu Bond A	Ecu	95.912
d CS Ecu Bond B	Ecu	152.568
d CS Gulden Bond A	Fl	97.809
d CS Gulden Bond B	Fl	138.589
d CS Hispano Iberia Fd A	Pta	20354.780
d CS Hispano Iberia Fd B	Pta	20870.500
d CS Prime Bond A	DM	98.273
d CS Prime Bond B	DM	126.325
d CS Europa Bond A	DM	227.228
d CS Europa Bond B	DM	381.761
d CS Fixed I SF 7% 1/96	SF	108.497
d CS Fixed I DM 8% 1/96	DM	111.686
d CS Fixed I Ecu 8 3/4% 1/96	Ecu	110.096
d CS Euro Blue Chips A	DM	214.912
d CS Euro Blue Chips B	DM	222.709
d CS Short-T. Bond $ A	$	101.422
d CS Short-T. Bond $ B	$	151.035
d CS Short-T. Bond DM A	DM	97.455
d CS Short-T. Bond DM B	DM	139.707
d CS Money Market Fd $	$	1725.295
d CS Money Market Fd DM	DM	1594.959
d CS Money Market Fd £	£	2178.381
d CS Money Market Fd Yen	Y	140326.270
d CS Money Market Fd C$	C$	1221.568
d CS Money Market Fd Ecu	Ecu	1250.953
d CS Money Market Fd SF	SF	5473.579
d CS Money Market Fd HFl	Fl	1107.076
d CS Money Market Fd Lit	Lit	1080454.580
d CS Money Market Fd FF	FF	5567.373
d CS Money Market Fd Pta	Pta	108605.990
d CS Oeko-Protec A	DM	213.741
d CS North-American Fd A/B	$	205.734
d CS UK Fund B	£	184.218
d CS France Fund B	FF	908.538
d CS Euroreal	DM	100.88
d CS Italy Fund A/B	Lit	188344.50
d CS Netherlands Fd A/B	Fl	291.27
d CS FF Bond A/B	FF	1007.48
DIT INVESTMENT FFM		
d Concentra +	DM	40.04
d Int'l Rentenfond +	DM	68.31
EBC TRUST CO. (Jersey) LTD		
1-3 Sele St, St Helier ; 0534-36331		
EBC AMRO TRADED CURRENCY FUND		
d Capital	$	24.297
d Income	$	15.429
INTERNATIONAL INCOME FUND		
d Long Term	$	36.6597
ECU TERMINVEST PLC (44 71 245 1010)		
d Ecu Plc Onega Fund	£	0.85
d Ecu Plc Rayden Fund	£	1.79
EQUIFLEX LIMITED		
w Class C / North America	Fl	12.53
EUROPA AMERICAN EQUITY FUND		
w Class A	$	275.31
FIDELITY INT'L INV. SERVICES (Lux)		
d Balanced Ptfl Hedged	$	12.60
d Balanced Ptfl Unhedged	$	11.49
d Conv. Securities Ptfl	$	8.00
d Discovery Fund	$	18.80
d Dollar Savings Trust	$	198.58
d Far East Fund	$	53.27
d Fid. Amer. Assets	$	179.12
d Fid. Amer. Values IV	$	113092.00
d Frontier Fund	$	33.79
d Global Ind Fund	$	15.87
d Global Selection Fund	$	13.85
d International Fund	$	15.02
d New Europe Fund	$	9.22
d Orient Fund	$	84.51
d Pacific Fund	$	268.85
d Special Growth Fund	$	26.56
d World Fund	$	85.90
FINMANAGEMENT SA-Lugano(41.91/239312)		
w Delta Premium Corp.	$	1085.00
FOKUS BANK A.S. 472 428 555		
w Scanfonds Int'l Growth Fd.	$	1.08
GAIA CURRENCY FUNDS		
w Gaia Hedge II	$	214.85
w Gaia Hedge III	$	39.82
w Gaia Swiss Franc Fd	SF	81.86
m Gaia Guaranteed CL I	$	81.92
m Gaia Guaranteed CL II	$	87.99
GAM ANLAGEFONDS AG (41-1-251 4440)		
Muhlebachstrasse 173, CH-8034, Zurich		
d GAM (CH) Mondial	SF	1261.56
d GAM (CH) Pacific	SF	1881.97
d GAM (CH) America	SF	1817.20
d GAM (CH) Europe	SF	79.48
GAM TRADITION ANGLEFONDS AG.		
d GAM Tradition	SF	922.19
GARTMORE INDOSUEZ FUNDS 22/12/92		
Tel : (352) 46 54 24 470		
Fax : (352) 46 54 23		
BOND PORTFOLIOS		
d DEM Bond ___ Dis 5.28	DM	5.88
d Diverbond ___ Dis 2.67	SF	2.89
d Dollar Bond ___ Dis 2.17	$	2.32
d European Bd ___ Dis 1.09	Ecu	1.15
d French Franc ___ Dis 9.08	FF	11.52
d Global Bond ___ Dis 2.11	$	2.29
d Sterling Bd ___ Dis 1.09	£	1.12
EQUITY PORTFOLIOS		
d Developing Markets	$	2.79
d Europe	Ecu	1.08
d France	FF	9.85
d Germany	DM	4.20
d International	$	2.17
d Japan	Y	205.00
d Natural Resources	$	1.99
d North America	$	2.58
d Pacific	$	2.62
d Singapore / Malaysia	SG$	6.83
d Switzerland	SF	2.64
d United Kingdom	£	1.35
RESERVE FUNDS		
d DEM ___ Dis 5.26	DM	5.705
d Dollar ___ Dis 2.03	$	2.095
d French Franc Dis 0.88	FF	11.54
d Sterling ___ Dis 0.89	£	1.172
d Yen Reserve	Y	277.5
GEFINOR FUNDS		
London : 071-4994171, Geneva : 41-22355530		
w East Investment Fund	$	696.09
w Scottish World Fund	£	219.8820
w State St. American	$	322.20
GENERALE BANK		
(See also Interselex Group)		
d Rentinvest	$	26.86
d Capital Rentinvest	$	166.77
d Rentinbel Distribution	LF	10335.00
d Rentinbel Capitalization	LF	14329.00
GENESEE FUND Ltd		
w (A) Genesee Eagle	$	111.73
w (B) Genesee Short	$	69.24
w (C) Genesee Opportunity	$	133.09
w (F) Genesee Non-Equity	$	115.85
GLOBAL ASSET MANAGEMENT		
11 Athol St.Douglas,I.of Man 44-624-626037		
w GAM Arbitrage Inc.	$	389.44
w GAM America Inc.	$	365.69
w GAM Australia Inc.	$	129.78
w GAM ASEAN Inc.	$	248.31
w GAM Boston Inc.	$	320.81
w GAM Selection Inc.	$	510.85
w GAM European Inc	$	84.72
w GAM Europe Fund	$	74.35
w GAM Franc-Val Inc.	SF	149.96
w GAM France Inc.	FF	1582.75
w GAM Global Fund	$	102.96
w GAM High Yield Inc.	$	134.32
w GAM Hong Kong Inc.	$	353.52
w GAM International Inc.	$	145.86
w GAM Japan Inc.	$	590.12
w GAM North America	$	139.77
w GAM Money Mkts Fd $	$	101.35
w GAM Money Mkts Fd £	£	104.01
w GAM Money Mkts Fd SF	SF	102.81
w GAM Money Mkts Fd DEM	DM	104.13
w GAM Money Mkts Fd Yen	Y	10126.00
w GAM Mlti-Mgr Fd Inc Alloc	$	132.93
w GAM Mlti-Mgr Fd IncGenEq	$	128.83
w GAM Mlti-Mgr Fd Trading	$	144.75
w GAM Mlti-Mgr Deferred Cl.	$	122.97
w GAM Mlti-Mgr Fd Euro	$	99.87
w GAM MltiMgr Fd IncEmerg	$	100.12
w GAM Mlti-Mgr Euro DM Cl	DM	95.15
w GAM Mlti-Mgr Mkt Neutral	$	103.15
w GAM MltiMgr Inc Trad DM	DM	99.23
w GAM Overseas Inc.	$	126.05
w GAM Pacific Basin Fund	$	130.79
w GAM Pacific Inc.	$	572.85
w GAM GAMCo Fund Inc.	$	167.15
w GAM Singap-Malay Inc.	$	290.09
w GAM Swiss Fr Spec Bd Fd	SF	108.52
w GAM Value Inc.	$	109.56
w GAM Worldwide Inc.	$	350.37
w GAM Tyche S.A. Class A	$	312.89
w GAM Univ. Spain Inc.	SF	106.07
w GAM Americano Fds Inc.	DM	100.58
w GAM Americano Fds Acc.	DM	100.58
w GAM Orient Fonds Inc.	DM	93.21
w GAM Orient Fonds Acc.	DM	93.21
w GAM Tokyo Fonds Inc.	DM	102.74
w GAM Tokyo Fonds Acc.	DM	102.74
w GAM Univ. D-Mark Acc.	DM	123.58
w GAM Univ. D-Mark Inc.	DM	114.36
w GAM Univ. Dollar Acc.	$	111.54
w GAM Univ. Dollar Inc.	$	104.49
w GAM Europa Fd.	DM	100.52
w GAM U.S. Inc.	$	230.24
w GAM Whitehorn Fund Inc.	$	181.89
w GAM UT Inc.	$	618.60
w GAM Bond Fd Inc. US Ord.	$	135.89
w GAM Bond Fd Inc. US Spe.	$	158.77
w GAM Bond Fd Inc. SF	SF	93.30
w GAM Bond Fd Inc. Yen	Y	13466.00
w GAM Bond Fd Inc. DM	DM	107.63
w GAM Bond Fd Inc. £	£	140.91
w GAM Sterling Spec. Bd Fd	£	119.02
m GAM-Cargill Minnetonka	$	108.16
w GAM Combined Fd Inc.	DM	99.99
GT ASSET MANAGEMENT (IRELAND) LTD		
Tel : (44) 71 - 626 47 41		
d GT Asean Fd A Shares	$	46.27
d GT Asean Fd B Shares	$	46.29
d GT Asia Fund A Shares	$	15.39
d GT Asia Fund B Shares	$	15.39
d GT Asian Small Comp A Sh.	$	10.92
d GT Asian Small Comp B Sh.	$	10.93
d GT Australia Fd A Shares	$	23.82
d GT Australia Fd B Shares	$	23.84
d GT Austr. Small Co A Sh	$	15.44
d GT Austr. Small Co B Sh	$	15.45
d GT Bond Fd A Shares	$	17.48
d GT Bond Fd B Shares	$	17.48
d GT Emerging Mkts A Sh	$	12.64
d GT Emerging Mkts B Sh	$	12.64
d GT Hong Kong Fd A Shares	$	45.01
d GT Hong Kong Fd B Shares	$	45.02
d GT Honshu Pathfinder A Sh	$	8.45
d GT Honshu Pathfinder B Sh	$	8.45
d GT Telecomm. Fd A Shares	$	10.16
d GT Telecomm. Fd B Shares	$	10.18
GT MANAGEMENT PLC (44 71 220 45 67)		
d G.T. Berry Japan Fund	$	15.41
d G.T. Biotech/Health Fund	$	21.19
d G.T. Deutschland Fund	$	10.23
d G.T. Dollar Fund	$	28.49
w G.T. Euro Small Co Fd	$	27.21
d G.T. Europe Fund	$	35.73
w G.T. Global Small Co Fd	$	18.01
d G.T. Investment Fund	$	16.47
w G.T. Japan OTC Stocks Fd	$	7.80
w G.T. Japan Small Co Fd	$	10.09
w G.T. Korea Fund	$	3.34
w G.T. Latin America Fd	$	15.34
w G.T. Newly Ind Countr Fd	$	31.68
r G.T. Technology Fund	$	53.69
d G.T. UK Small Companies	$	7.27
w G.T. US Small Companies	$	21.43
GUINNESS FLIGHT FD MNGRS (Guesy) Ltd		
GUINNESS FLIGHT GLBL STRATEGY FD		
d Managed Currency	$	37.36
d Global Bond	$	33.00
d Global High Income Bond	$	21.05
d Gilt & £ Bond	£	10.54
d Euro High Inc. Bond	£	22.15
d Global Equity	$	71.25
d American Blue Chip	$	26.93
d Japan and Pacific	$	79.08
d UK	£	22.21
d European	$	86.93
GUINNESS FLIGHT INT'L ACCUM FD		
d Deutschemark Money	DM	81.427
d US Dollar Money	$	37.107
d US Dollar High Yd Bond	$	21.53
d Int'l Balanced Grth	$	28.96
HERMES ASSET MANAGEMENT LTD		
Bermuda: (809)295 4000, Lux: (352)404 64 61		
m Hermes European Fund	Ecu	252.56
m Hermes North American Fd	$	270.12
m Hermes Asian Fund	$	253.73
m Hermes Emerg Mkts Fund	$	84.47
m Hermes Strategies Fund	$	587.28
m Hermes Neutral Fund	$	104.19
m Hermes Global Fund	$	519.77
m Hermes Bond Fund	Ecu	1086.45
INTERCONTINVEST SICAV		
w II Straight Bond B	Ecu	956.32
INTERNATIONAL ASSETS FUND		
2, Bd Royal, L-2449 Luxembourg		
w Europe Sud E	Ecu	71.25
INTERNATIONAL MGMT INCOME FUND		
w Treasury Compartment Fd.ITL		103885
INTERSELEX GROUP		
d Int. America Sicav	$	28.85
d Int. Belgo Sicav	BF	2727.00
d Int. Europa Sicav	LF	5414.08
d Int. Pacific Sicav	$	82.47
d Int. World Distr. Sicav	$	95.77
INVESCO MIM INT'L, POB 271, Jersey		
Tel: 44 534 73114		
d Maximum Income Fund	£	1.0380 *
d Sterling Mngd Ptfl	£	1.7600
d Pioneer Markets	£	3.8440
d UK Growth Fund	£	1.3400
d Gold & Precious Metals	£	0.6490
d Japan Dollar Perf. Fund	$	2.2590
d Jersey Gilt Fund	£	0.1960
d Okasan Global Strategy	$	15.9000
d Asia Super Growth	$	14.1100
d Nippon Warrant Fund	$	1.5000
d Asia Tiger Warrant	$	1.4600
d European Warrant Fund	$	1.3900
d Gtd N.W. 1994	$	8.9600
PREMIER SELECT FUNDS		
d American Growth	$	5.7700
d American Enterprise	$	8.3800
d Asia Tiger Growth	$	6.2100
d Dollar Reserve	$	5.2000
d European Growth	$	4.1700
d European Enterprise	$	4.4900
d Global Emerging Markets	$	6.0400
d Global Growth	$	4.6800
d Nippon Enterprise	$	5.1600
d Nippon Growth	$	3.6800
d North American Warrant	$	6.2100
ITALFORTUNE INTL. FUNDS		
w Class A (Aggr. Growth Ital.)	$	38.28
w Class B (Global Equity)	$	10.96
w Class C (Global Bond)	$	11.64
w Class D (Ecu Bond)	Ecu	10.58
JARDINE FLEMING, GPO Box 11448 Hg Kg		
d JF ASEAN Trust	$	23.91
d JF Far East Wrnt Tr.	$	8.63
d JF Global Conv. Tr.	$	11.89
d JF Hong Kong Trust	$	11.93
d JF Japan Sm. Co Tr.	Y	39241.00
d JF Japan Trust	Y	10486.00
d JF Malaysia Trust	$	18.49
d JF Pacific Inc. Tr.	$	7.60
d JF Thailand Trust	$	15.98
JOHN GOVETT MANT (I.O.M.) LTD		
Tel: 44.624 - 62 94 20		
w Govett Man. Futures	£	14.32
w Govett Man. Fut. US$	$	10.20
w Govett $ Gear. Curr.	$	17.54
w Govett Man. Switcher Fd.	$	9.4822
JULIUS BAER GROUP		
d Baerbond	SF	968.00
d Conbar	SF	1676.00
d Helvetbar	SF	1326.00
d Equibaer America	$	2382.00
d Equibaer Europe	SF	1497.00
d SFR - BAER	SF	1093.00
d Stockbar	SF	2093.00
d Swissbar	SF	2287.00
d Liquibaer	$	2176.00
d Dollar Bond Fund	$	113.48
d DM Bond Fund	DM	109.10
d Europe Bond Fund	Ecu	120.48
w Multiadvisor Forex Fd	$	103580.00
KIDDER, PEABODY		
b Chesapeake Fund Ltd	$	1726.32
b Int'l Guaranteed Fund	$	1152.56
b Stonehenge Ltd	$	1327.47
b The Gbl Asset Alloc Fd Ltd	$	908.93
b The Stock Index Fut Fd Ltd	$	987.32
LATIN AMERICAN MANAGEMENT Co Ltd		
Tel : London 071 628 1234		
d Argentinian Invest Co Sicav	$	18.85
w Brazilian Invest Co Sicav	$	18.55
w Colombian Invest Co Sicav	$	9.34
d Latin America Income Co.	$	9.93
d Latin American Invest Co.	$	8.58
d Mexican Invest Co Sicav	$	31.77
LIPPO INVESTMENTS		
w Java Fund	$	5.62
w IDR Money Market Fd	$	11.22
w USD Money Market Fd	$	10.39
w Indonesian Growth Fd	$	10.56
w Asian Growth Fund	$	9.46
w Asian Warrant Fund	$	6.10
LLOYD GEORGE MNGMT (852) 845 4433		
w World Success Fund	$	9.1376
w Antenna Fund	$	10.89
w LG Asian Smaller Cos Fd	$	10.5901
LOMBARD, ODIER & CIE - GROUP		
OBLIFLEX LTD (CI)		
w Multicurrency	$	28.83
w Dollar Medium Term	$	22.48
w Dollar Long Term	$	19.72
w Japanese Yen	Y	4434.08
w Pound Sterling	£	24.14
w Deutsche Mark	DM	15.90
w Dutch Florin	Fl	14.61
w HY Euro Currencies	Ecu	13.55
w Swiss Franc	SF	12.33
w US Dollar Short Term	$	12.21
w HY Euro Curr Divid Pay	Ecu	10.87
w Swiss Multicurrency	SF	15.09
w European Currency	Ecu	18.82
w Belgian Franc	BF	122.67
w Convertible	$	13.13
w French Franc	FF	135.47
w Swiss Multi-Dividend	SF	9.71
w Swiss Franc Short-Term	SF	108.63
w Canadian Dollar	C$	12.44
w Dutch Florin Multi	Fl	13.18
w Swiss Franc Divid Pay	SF	10.85
w CAD Multicur. Div.	C$	10.19
MALABAR CAP MGMT (Bermuda) LTD		
m Malabar Int'l Fund	$	13.55
MAN INTERNATIONAL FUTURES		
m Mint Limited - Ordinary	$	46.22
m Mint Limited - Income	$	14.50
m Mint Gtd Ltd - Spec Issue	$	26.81
m Mint Gtd Ltd - Nov 1993	$	23.21
m Mint Gtd Ltd - Jan 1994	$	19.85
m Mint Gtd Ltd - Dec 1994	$	17.22
m Mint Gtd Ltd - Aug 1995	$	14.30
m Mint Se Res Ltd (BNP)	$	95.64
m Newcastle Guaranteed Ltd.	$	9.82
m Alpbaf Mint Gtd Fund Ltd	$	124.31
m Athena Diversified Futures	$	9.56
m Athena Gtd Futures	$	10.26
m Athena Gtd Currencies	$	10.65
m Map Guaranteed 1996 Ltd	$	8.83
d Athena Gtd Financials Cap	$	9.55
d Athena Gtd Financials Inc.	$	10.02
m Map Leveraged Recov. Ltd	$	10.71
MERRILL LYNCH		
d Dollar Assets Portfolio	$	1.00
d Iberia Portfolio	$	6.53
d Prime Rate Portfolio	$	10.00
MERRILL LYNCH SHORT-TERM		
WORLD INCOME PORTFOLIO		
d Class A	$	8.78
d Class B	$	8.78
MERRILL LYNCH MLT NAT'L INV PFL		
GLOBAL CURRENCY BOND SERIES		
AUSTRALIAN DOLLAR PORTFOLIO		
d Category A	A$	16.89
d Category B	A$	16.71
CANADIAN DOLLAR PORTFOLIO		
d Category A	C$	13.62
d Category B	C$	13.49
DEUTSCHE MARK PORTFOLIO		
d Category A	DM	12.22
d Category B	DM	12.08
POUND STERLING PORTFOLIO		
d Category A	£	14.44
d Category B	£	14.37
US DOLLAR PORTFOLIO		
d Category A	$	13.21
d Category B	$	13.14
YEN PORTFOLIO		
d Category A	Y	1214
d Category B	Y	1204
MULTI CURRENCY BOND PTFL		
d Class A	$	20.77
d Class B	$	20.49
US FEDERAL SECURITIES PTFL		
d Class A	$	9.83
d Class B	$	10.35
MERRILL LYNCH MLT NAT'L INV PFL		
EQUITY / CONVERTIBLE SERIES		
BASIC VALUE PORTFOLIO		
d Class A	$	12.01
d Class B	$	11.66
CONVERTIBLE SECURITIES PTFL		
d Class A	$	12.72
d Class B	$	12.55
GLOBAL EQUITY PORTFOLIO		
d Class A	$	7.74
d Class B	$	7.42
EURO EQUITY PORTFOLIO		
d Class A	$	10.20
d Class B	$	9.98
LATIN AMERICA PORTFOLIO		
d Class A	$	9.85
d Class B	$	9.76
WORLD NATURAL RESOURCES PTFL		
d Class A	$	10.41
d Class B	$	10.12
DRAGON PORTFOLIO		
d Class A	$	10.07
d Class B	$	10.03
MORGAN GRENFELL INV FDS LTD		
(44) 71 826 08 26		
d MG Japan Bullet Fd	£	0.7368
MULTIMANAGER N.V.		
w American Growth Fd	$	11.20
m Emerging Markets Fd	$	15.19
w European Curr. Bond Fd	Ecu	11.33
w European Growth Fd	Ecu	11.02
w Forex Fund	$	11.61
m Futures Fund	$	10.09
w Hedge Fund	$	10.58
w Japanese Fund	Y	722
w Market Neutral	$	18.03
NICHOLAS-APPLEGATE CAPITAL MGT		
w NA Flexible Growth Fd	$	112.38
w NA Hedge Fund	$	125.28
m NA Japan Hedge Fund	$	87.50
NOMURA INTL. (HONG KONG) LTD		
d Nomura Jakarta Fund	$	7.87
NORIT CURRENCY FUND		
m NCF USD	$	848.90
m NCF DEM	DM	987.99
m NCF CHF	SF	885.80
m NCF FRF	FF	4469.60
m NCF JPY	Y	90993.00
m NCF BEF	BF	27251.00
OLYMPIA CAPITAL INTL. BVI		
c/o OCM, 11 Av. Friedland 75008 PARIS		
Tel: 33-1-45639038 Fax: 33-1-42567007		
w Finsbury Group	$	187.31
w Olympia Securite SF	SF	155.90
w Winch. Frontier	$	287.65
w Winch. Fut. Olympia Star	$	129.06
w Winch. GlSec.Inc.PL(A/B)	$	8.07
w Winch. Hldg Int'l Madison	Ecu	1310.28
w Winch. Hldg Int'l Ser D	Ecu	1522.26
w Winch. Hldg Int'l Ser F	Ecu	1538.83
w Winch. Hldg US$	$	0.1651
w Winch. Reser. Multi. Gvbd	$	14.84
OPTIMA FUND MANAGEMENT		
6 Front St. Hamilton,Bermuda(809 295-4080)		
w Optima Fund	$	15.81
w Optima Futures Fund	$	13.64
w Optima Short Fund	$	8.38
PARIBAS-GROUP		
w Luxor	$	7.48
PERMAL GROUP		
b Commodities Ltd	$	931.86
b Drakkar Growth N.V.	$	2943.97
b EuroMir (Ecu) Ltd	Ecu	1416.18
b Investment Hldgs N.V.	$	1091.01
b Media Ltd	$	915.24
b Nascal Ltd	$	1668.73
w Updvike Ltd	$	272.45
PICTET & CIE - GROUP		
d Pictet Valsuisse (CH)	SF	468.60
w Valbond - Ecu (Lux)	Ecu	158.06
w Valbond - SFR (Lux)	SF	264.11
w Valbond - USD (Lux)	$	212.43
b Eur. Opportunity (Lux)	Ecu	82.15
b European Indexed Fd (Lux)	Ecu	48.13
b Euroval (Lux)	Ecu	175.64
b Global Value (Lux) Quant.	Ecu	113.17
m Emerging Markets (Lux)	$	109.35
m Intl Small Cap (IOM)	$	279.39023
PIERSON, HELDRING & PIERSON N.V.		
Rokin 55, 1012kk, Amsterdam (20-5211188)		
w Asia Pac. Growth Fd N.V.	$	25.81
w Asian Selection Fd N.V.	Fl	60.45
w DP Amer. Growth Fd N.V.	$	37.06
w EMS Offshore Fd N.V.	Fl	96.40
w Environment Growth Fund	Fl	43.81
w Europe Growth Fund N.V.	Fl	40.99
w Japan Diversified Fund	$	35.81
w Leveraged Cap Hold.	$	535.94
w Tokyo Pac. Hold. N.V.	$	178.27
PUTNAM		
d Emerging Hlth Sc. Trust	$	36.64
w Putnam Em. Info. Sc. Trust	$	27.51
d Putnam Glob. High Growth	$	14.39
d Putnam High Inc. GNMA Fd	$	9.36
d Putnam Int'l Fund	$	12.87
QUANTUM GROUP OF FUNDS		
w Emerging Growth Fd N.V.	$	146.58
w Quantum Fund N.V.	$	20261.31
w Quasar Int'l Fund N.V.	$	165.95
w Quota Fund N.V.	$	132.44
QUARRY MANAGEMENT LTD		
Telephone : 809 - 949-0050		
Facsimile : 809 - 949-8062		
d Atlas Arbitrage Fd Ltd	$	120.68
d Hesperis Fund Ltd	$	138.21
d Meridian Hedge Fd Ltd	$	1276.58
d Zenith Fund Ltd	$	286.49
ROBECO GROUP		
POB 973,3000 AZ Rotterdam.(31)10 2241224		
d RG America Fund	Fl	111.80
d RG Europe Fund	Fl	95.10
d RG Pacific Fund	Fl	92.50
d RG Divirente Fund	Fl	50.70
d RG Money Plus F Fl	Fl	103.58
d RG Money Plus F $	$	100.67
d RG Money Plus F DM	DM	102.52
d RG Money Plus F SF	SF	101.12
More Robeco see Amsterdam Stocks		
ROTHSCHILD ASSET MGMT (C.I) LTD		
d Tokyo Pacific Hldgs (Sea)	$	138.24
SAFDIE GROUP/KEY ADVISORS LTD		
m Key Diversified Inc Fd Ltd	$	10.37
SAFRA REPUBLIC HOLDING		
w Rep.(Gnsey) Dollar Inc Fd	$	10.39
w Rep.(Gnsey) Europe Inc Fd	DM	10.41
w Republic GAM Fund	$	116.98
w Republic GAM Growth	$	128.67
w Republic GAM Pacific	$	108.15
w Republic GAM Europe Fd	SF	93.32
w Republic GAM America Fd	$	103.78
w Rep GAM Em Mkts Global	$	96.78
w Rep GAM Em Mkts Latin	$	95.79
REPUBLIC LATIN AMERICA FUND		
w Allocated Class	$	99.59
w Brazil Class	$	101.78
w Mexico Class	$	108.53
w Argentina Class	$	95.90
w Venezuela Class	$	94.45
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
d Equity Int'l Acc.	$	15.01
d Equity Int'l Inc.	$	12.59
d Equity Global	$	1.34
d Equity Far East	$	2.83
d Equity Nat. Resources	$	0.91
d Equity Japan	$	92.00
d Equity Nordic	$	1.16
d Equity U.K.	£	1.35
d Equity Continental Europe	$	1.34
d Equity Mediterranean	$	0.75
d Equity North America	$	1.90
d Int'l Emerging Markets	$	0.91
d Bond Int'l Acc.	$	11.34
d Bond Int'l Inc.	$	7.56
d Europe Bond Acc.	$	1.51
d Europe Bond Inc.	$	1.03
d Bond Sweden	Sek	14.89
d Bond DEM	DM	1.16
d Bond Dollar	$	1.32
d Curr. Swedish Kronor	Sek	11.18
d Skandifond Curr. US$	$	1.51
d Skandifond Int'l Bond	$	0.01
SOCIETE GENERALE GROUP		
d Asia Fund	$	353.74
d BTW Category A	$	13.99
d BTW Category B	$	38.32
SOGELUX FUND (SF)		
w SF Bonds A U.S.A.	$	15.23
w SF Bonds B Germany	DM	28.51
w SF Bonds C France	FF	112.44
w SF Bonds E G.B.	£	11.44
w SF Bonds F Japan	Y	2123
w SF Bonds G Europe	Ecu	15.05
w SF Bonds H World Wide	$	16.18
w SF Bonds J Belgium	BF	738.00
w SF Eq. K North America	$	16.08
w SF Eq. L W.Europe	Ecu	12.02
w SF Eq. M Pacific Basin	Y	1260
w SF Eq. P Growth Countries	$	12.78
w SF Eq. Q Gold Mines	$	12.47
w SF Eq. R World Wide	$	12.93
w SF Short Term S France	FF	153.1845
w SF Short Term T Eur.	Ecu	14.82
SOGELUX INDEX FUND (SIF)		
w S.I.F. France Capital	FF	971.80
w S.I.F. France Distrib.	FF	966.43
w S.I.F. GB Capital	£	127.69
w S.I.F. GB Distrib.	£	127.00
w S.I.F. Japan Capital	Y	8890
w S.I.F. Japan Distrib.	Y	8890
w S.I.F. US Capital	$	197.64
w S.I.F. US Distrib.	$	196.59
w S.I.F. World Capital	$	120.31
w S.I.F. World Distrib.	$	120.31
SODITIC ASSET MANAGEMENT INC.		
w SAM Diversified Inc.	$	123.39
w SAM Strategy Inc.	$	107.70
m Alpha SAM Inc.	$	105.06
w SAM Opportunity Inc.	$	101.06
w SAM/McGarr Hedge Fd Inc	$	180.54
w GSAM Composite Fd Inc.	$	269.19
SVENSKA HANDELSBANKEN S.A.		
146 Bd de la Petrusse, L-2330 Luxembourg		
b SHB Bond Fund	$	54.16
w Svenska Sel. Fd Amer Sh	$	14.43
w Svenska Sel. Fd Germany	$	8.14
w Svenska Sel. Fd Int'l Bd Sh.	$	12.67
w Svenska Sel. Fd Int'l Sh.	$	51.04
w Svenska Sel. Fd Japan	Y	372
w Svenska Sel. Fd Nordic Sh	$	9.67
w Svenska Sel. Fd Pacif Sh	$	4.81
d Svenska Sel. Fd S/T Ass Sh	$	11.71
w Svenska Sel. Fd Swed Bds.	Sek	1243.45
w Svenska Sel. Fd Sylvia Sh	Ecu	977.78
SWISS BANK CORP. (Issue Prices)		
d SBC 100 Index Fund	SF	1226.00
d SBC Euro-Stock Ptfl	Ecu	185.08
d SBC Bond Ptfl-Austr.$ A/B	A$	107.96
d SBC Bond Ptfl-Can.$ A	C$	111.15
d SBC Bond Ptfl-Can.$ B	C$	117.28
d SBC Bond Ptfl-DM A/B	DM	162.05
d SBC Bond Ptfl-Dutch G. A/B	Fl	163.65
d SBC Bond Ptfl-Ecu A	Ecu	105.64
d SBC Bond Ptfl-Ecu B	Ecu	111.28
d SBC Bond Ptfl-FF A	FF	547.03
d SBC Bond Ptfl-FF B	FF	576.89
d SBC Bond Ptfl-Sterling A/B	£	53.28
d SBC Bond Ptfl-US-$ A/B	$	164.17
d SBC Bond Ptfl-Yen A/B	Y	105446.00
d SBC Sfr Bond Fund A	SF	1090.51
d SBC Sfr Bond Fund B	SF	1283.02
d SBC MMF - A$	A$	4073.30
d SBC MMF - BFR	BF	103080.00
d SBC MMF - Can.$	C$	4398.26
d SBC DM Short-Term A	DM	1095.34
d SBC DM Short-Term B	DM	1212.86
d SBC MMF - Dutch G.	Fl	4883.35
d SBC MMF - Ecu	Ecu	3413.88
d SBC MMF - FF	FF	22824.74
d SBC MMF - Lit	Lit	4708929.00
d SBC MMF - Ptas	Pta	314507.00
d SBC MMF - Sterling	£	2636.49
d SBC MMF - SF	SF	5502.27
d SBC MMF - US - Dollar	$	4970.81
d SBC MMF - US$/II	$	2021.44
d SBC MMF - Yen	Y	581406.00
d SBC Global SF Growth	SF	1000.87
d SBC Global Ecu Growth	Ecu	1024.85
d SBC Global USD Growth	$	1014.14
d SBC Global SF Yield A	SF	1049.89
d SBC Global SF Yield B	SF	1085.19
d SBC Global Ecu Yield A	Ecu	1079.64
d SBC Global Ecu Yield B	Ecu	1114.44
d SBC Global USD Yield A	$	1048.16
d SBC Global USD Yield B	$	1075.26
d SBC Global SF Inc. A/B	SF	1022.29
d SBC Global Ecu Inc. A/B	Ecu	1005.88
d SBC Global USD Inc. A/B	$	987.24
d AmericaValor	$	332.81
d AngloValor	£	213.65
d AsiaPortfolio	SF	580.46
d Convert Bond Selection	SF	91.44
d D-Mark Bond Selection	DM	117.01
d Dollar Bond Selection	$	145.96
d Ecu Bond Selection	Ecu	104.38
d Florin Bond Selection	Fl	124.04
d FranceValor	FF	1724.19
d GermaniaValor	DM	391.63
d GoldPortfolio	SF	262.41
d IberiaValor	Pta	41440.00
d ItalValor	Lit	305491.00
d JapanPortfolio	Y	21482.00
d Sterling Bond Selection	£	118.63
d Sw. Foreign Bond Selection	SF	110.08
d SwissValor	SF	414.59
d Universal Bond Selection	SF	77.59
d Universal Fund	SF	99.54
d Yen Bond Selection	Y	11738.00
TEMPLETON W.WIDE INVESTMENTS		
GROWTH PORTFOLIO		
d Class A-1	$	9.86
d Class A-2	$	11.41
d Class A-3	$	10.15
d Class B-1	$	8.70
d Class B-2	$	11.25
INCOME PORTFOLIO		
d Class A	$	10.49
d Class B	$	10.36
TERMINVEST Tel : 48.78.93.89		
m Dual Futures Fd Cl D Units	$	115.35
m Galaxy Futures Fund Ltd	$	108.19
THORNTON MANAGEMENT LTD		
d Pacif Invt Fd SA	£	9.93
d Pacif Invt Fd SA DM	DM	24.25
d Pacif Invt Wrnt Fd SA	£	4.73
d Pacif Invt Wrnt Fd SA DM	DM	11.73
d Eastern Crusader Fund	$	7.21
d Thornton HK Gateway Fd	$	26.93
d Thornton Japan Fund Ltd	$	17.22
d Thor. Lilti Dragons Fd Ltd	$	24.50
d Thornton Orient Inc Fd Ltd	$	19.44
d Thornton Phil. Redev. Fd	$	32.39
d Thornton Tiger Fd Ltd	$	33.82
NEW TIGER SEL. FUND		
d Thailand	$	11.14
d Malaysia	$	12.76
d Indonesia	$	5.52
THORNTON TAIWAN FUND		
d Equity Income	$	8.96
d Equity Growth	$	9.85
d Liquidity	$	10.00
UEBERSEEBANK Zurich		
d B - Fund	SF	1156.60
d E - Fund	SF	566.23
d J - Fund	SF	312.08
d M - Distribution	SF	98.46
d M - Fund	SF	1161.56
d UBZ Euro-Income Fund	SF	11.24
d UBZ World Income Fund	Ecu	53.95
d UBZ Gold Fund	$	82.21
d UBZ Nippon Convert	SF	1031.46
UNIVERSAL GROUP OF FUNDS		
d Universal Cdn. Equity	C$	8.78
d Universal Pacific	C$	9.97
d Universal American	C$	10.20
d Universal Cdn. Resource	C$	5.25
d Universal Global	C$	7.07
d Universal Emerg Markets	C$	5.74
d Universal European	C$	4.89
d Canada Guar. Mortgage Fd	C$	17.15
Other Funds		
w Acropolis Fund Ltd	$	1069.15
r Acticroissance Sicav	FF	376.89
d Actifinance Sicav	$	704.11
w Actifutures Ltd	$	698.75
w Actigestion Sicav	FF	954.59
w Activest Int'l Sicav	$	27.87
m Advanced Strategies	$	130.71
w AIG Taiwan Fund	$	82.387
w Aquila International Fund	$	311.36
w Arbifin Investment	$	1102.60
d Asia Oceania Fund	$	10.48
w ASS (Serie 1) SA	DM	570.80
m Associated Investors Inc.	$	901.91
w Astra Fund Ltd	$	997.13
r Australia Fund	$	15.83
w Banzai Hedged Growth Fd	$	4533.45
w BEM International Ltd	$	8.86
w Benchmark Currency Fd	$	104.82
w Benchmark Global Bd Fd	$	101.18
w Benchmark US$ Cash Fd	$	101.25
w Bikuben-Marvai EEF	Ecu	102.56
m Cal Futures 1990 Fd Ltd	$	22.69
d CB German Index Fund	DM	112.18
w CMI Investment Fund	$	1574.00
m Columbus Holdings	$	100.72
b Comgest Europe	SF	986.46
w Convert. Fd Int'l A Certs	$	18.28
w Convert. Fd Int'l B Certs	$	65.28
w Cowen Enterprise Fd N.V.	$	1355.61
m Craig Drill Cap	$	108.70
w Crypton Int'l Ltd	$	939.82
w Cumber Int'l N.V.	$	365.64
d D. Witter Wld Wide Ivt Tst	$	24.90
w D.G.C.	$	255.56
d Daiwa Japan Fund	Y	5849
d DBCC / Nafin Bond Fund	$	57446.81
w Derivative Asset Alloc.	$	999.59
d Dreyfus America Fund	$	22.16
w Eos Overseas Fund Ltd	$	1348.00
d Emi Belg. Ind. Plus A	BF	8712.00
d Emi Belg. Ind. Plus B	BF	8987.80
d Emi France Ind. Plus A	FF	859.92
d Emi France Ind. Plus B	FF	873.80
d Emi Germ. Ind. Plus A	DM	78.61
d Emi Germ. Ind. Plus B	DM	80.35
d Emi Neth. Index Plus A	Fl	503.52
d Emi Neth. Index Plus B	Fl	503.52
d Emi Spain Ind. Plus A	Pta	8650.80
d Emi Spain Ind. Plus B	Pta	8721.80
d Emi UK Index Plus A	£	115.79
d Emi UK Index Plus B	£	119.61
m Enigma Currency Fd	$	28.19
w Espir. Sto Inv. M Ecu Bd Fd	Ecu	185.98
w Espir. Sto Inv. 5th Eur Fd	$	6.82
d Eternity Fund Ltd	$	99.8310
d Eurosud	FF	1086.78
d Europe 1992	$	9.53
d Europe Obligations	Ecu	89.42
w F.I.T. Fund FF	FF	133.64
m F.M.G. Fund Ltd	$	11.64
w F.M.P. Portfolio	$	0.6047
w Fairfield Int'l Ltd	$	181.65
w Fairfield Sentry Ltd	$	277.15
w Fairfield Strategies Ltd	$	74.25
m Fatum Fund	$	839.55
w First Eagle Fund	$	47238.25
m First Ecu Ltd	Ecu	62.94
m First Frontier Fund	$	69.22
m First Intl Investment Ltd	$	3.35
w FL Trust Switzerland	SF	105.76
d Fonditalia	$	72.06
w Formula Selection Fd	SF	46.15
d Frankf-Trust Effekten Fd	DM	141.22
d Frankf-Trust Interzins	DM	41.18
m Gems Progressive Fd Ltd	$	1394.29
m German Sel. Associates	DM	1719.38
w Global Arbitrage Ltd	SF	1492.95
w Global Futures Mgt Ltd	$	1073.93
w Gonnard	$	24.19
d GreenLine France	FF	672.09
m Guaranteed Capital Imm 94	LF	552748.00
w Hades Futures Fd Ltd	FF	107.72
w Hasenbichler Com AG	$	3785.00
w Haussmann Hldgs N.V.	$	504.65
d Hentsch T.F.	SF	10983.00
w Hestia Fund	$	176.71
b Highbridge Capital Corp.	$	10115.00
w Horizon Fund	FF	12296.67
d IAM Flagship Fund	Ecu	68.79
w Ibex Holdings Ltd	SF	212.61
w IFDC Japan Fund	Y	19530.00
d Infinity Fund Ltd	$	188.9938
r Int'l Securities Fund	Ecu	25.75
d Interfund SA	$	38.79
w Intersec - KBL	$	3978.57
d Invesfo DWS	DM	63.85
w Japan Pacific Fund	$	182.83
m Japan Selection Asses.	Y	5063
w Japan Selection Fund	$	218.53
w JWH Worldwide Fund	$	12.88
m Kandu LDC Fund	$	173.49870
w Kenmar Gld. Series 2	$	1069.80
w Kenmar Guaranteed	$	11.31
w Kenmar Int'l - B	$	9548.00
m Key Global Hedge	£	137.12
m Key Hedge Fund Inc	$	130.46
d KML - II High Yield	$	648.55
w Knightsbr. Futures	$	970.00
w Korea Growth Trust	$	28.07
m L.F. Yield & Growth Fd	$	921.65
w La Fayette Holdings Ltd	$	119.69
w Latin Amer Extra Yield Fd	$	10.0746
w Leaf Sicav	$	1075.68
w Leumi Val. Francaises	FF	1047.26
m London Portfolio Services	$	11.15
m LPS Intl H.P.B.	$	9.591
w Luxfund	$	112.99
m Lynx Sel. Holdings	SF	127.67
d M I Hedged Derivatives Fd	$	1026.20
w M I Multi-Strategy	$	1286.33
w M.Kinedon Offshore, N.V.	$	13.02
w Managed Fut. Institut. Fd	$	9316.08
m Maritime Fund Int'l Ltd	$	833.34
w Matterhorn Offshore Fd	$	11841.65
w MBE Japan Fund	LF	1639.00
m MCM Int. Limited	$	199.27
d Mediolanum Selective Fd	Ecu	21.67
w Millennium International	$	9.426
m MJM International Ltd	$	96.20
m Momentum Guild Ltd	$	99.40
w Multifutures	FF	77.70
d NCA Fund	$	8.33
d New Millennium Fut. Ltd	$	809.29
d Newbank Debentures	$	1297.00
w Nippon Fund	$	109.80
d NM Inc. & Growth Fund	$	19.75
m NMT Asian Sel. Portfolio	$	205.90
w NMT Citadel Bond	SF	135.28
w Neveurope - KBL	Ecu	2750.73
m NSM Invest. Ltd. Senso SH	$	7.40
m NSM Invest. Ltd. Tetryx SH	SF	10.82
m NSP F.I.T. Ltd	$	12.26
w Old Ironside Int'l Ltd	$	96.15
m Omega Overseas Partners	$	106.11
m Oppenheimer U.S. Arb.	$	132.11
w Optimal Effect Fut. Ltd	$	1041.75
m Optimum Fund	$	2121.50
m Overlook Performance	$	1811.75
m PAN International Ltd	$	118.26
w Pancurri Inc.	$	182.12
m Paragon Fund Limited	$	10.60
m Pequot Int'l Fund	$	144.96
w Plurigestion	FF	79.58
w Plurivest Sicav	FF	98.80
d Premier Futures Ltd	$	1078.40
d Profirent S.A.	DM	1195.04
w RM Futures Fund Sicav	$	18331.80
w Sailor's Intl Equity	Ecu	942.86
w Sailor's Intl Fixed	Ecu	1143.40
d Samurai Portfolio	SF	236.50
d Sanyo Kle. Spain Fd	$	7.29
d Sarakreek Holding N.V.	$	14.10
w Saturn Fund	$	1167.44
m Savoy Fund Ltd	$	1045.50
d SCI / Tech. SA Luxembourg	$	16.57
m Scimitar Guar. Curr Fd	$	8.14
m Scimitar Guaranteed Fd	$	8.96
m Semades	$	106.86
w SJO Global (609)921-6595	$	969.36
m SLH Guar. F.F.I.	$	1303.97
w SP International SA	$	12584.97
w Stanley Ross Secured Fd	Ecu	99.14
d Star High Yield Fd Ltd	$	104.1543
m Strider Fund Ltd	$	110.61
m Strome Offshore Ltd	$	103.22
m Sussex McGarr	$	1324.00
w Techno Growth Fund	SF	47.92
d Templeton Global Inc.	$	9.74
m The Geo-Global Offshore	$	1057.51
d The Instit Multi Advisors	$	1107.43
m The J Fund B.V.I. Ltd	$	1233.6700
w The Jaguar Fund N.V.	$	374.44
d The Latin Equities Fd	$	629.4156
d The Petrus Fund Ltd	$	0.89
w Thema M-M Futures	$	1069.16
b TIIC (OTC) Jap. Fd Sicav	$	7.98
b Tokyo (OTC) Fund Sicav	$	6.40
w Trans Global Invt Ltd	$	159.17
d Transpacific Fund	Y	17613.00
w Trinity Futures Fd Ltd	$	974.698
m Triumph I	$	963.61
d Tudor B.V.I. Futures Ltd	$	11638.01
d Turquoise Fund	$	161.80
m Tweedy Browne (UK) n.v.	$	1405.76
m Tweedy Browne n.v. Cl A	$	42.70
w Tweedy Browne n.v. Cl B	$	17.43
d UboFutures	FF	305304.00
w Uni Bond Fund	Ecu	2041.54
w Uni Capital Allemagne	DM	2641.76
w Uni Capital Convertibles	Ecu	1279.24
w Uni-Global Sicav DEM	DM	1089.44
w Uni-Global Sicav Ecu	Ecu	1095.76
w Uni-Global Sicav FRF	FF	5494.77
w Uni-Global Sicav FS	SF	1076.28
w Uni-Global Sicav USD	$	1055.90
d Unico Equity Fund	DM	59.26
d Unico Inv. Fund	DM	46.19
m Unitrades CHF	SF	1246.56
m Unitrades CHF Reg	SF	1086.68
m Unitrades FRF	FF	12946.05
m Unitrades USD	$	1164.54
w Ursus Int'l Ltd	$	6586.00
m Valbonne	Ecu	116.30
m Victor Futures Fund	$	203.60
b Voyager Investments Plc	$	10.1073
w Vulture Ltd	$	1647.28
w Wilier Japan	Y	192.00
w Wilier South East Asia	$	9.88
w Willerfunds-Willerbond Cap	$	14.86
w Willerfunds-Willerbond Eur	Ecu	10.97
w Willerfunds-Willereq Eur	Ecu	10.41
w Willerfunds-Willereq Italy	Lit	9416.00
w Willerfunds-Willereq NA	$	10.63
d Win Global Fd Bd. Ptfl	Ecu	118.69
d Win Global Fd Eq. Ptfl	Ecu	103.37
d Win Global Fd Res Ptfl	SF	222.87
d World Balanced Fund S.A.	$	12.37
m Worldwide Limited	$	90.84
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SPORTS SUMO WRESTLING

In Japan, an Ancient Sport Rides Superstars' Wave Into the Future

By Teresa Watanabe
Los Angeles Times Service

FUKUOKA, Japan — They have been here for hours, young schoolgirls and elderly matrons alike, their hands clutching cameras, their eyes seeking celebrity.

Suddenly they shriek, and lunge forward. A man of regal bearing is passing by; hands flutter for a touch. After he leaves, the women heave sighs, spent from the unbearable exhilaration of the three-second close encounter.

Takahanada has just made his stadium entrance at this seaside city's main cultural event. He is neither rock star nor movie idol, but his celebrity invites such comparisons.

He is a 130-kilogram (285-pound) hulk in a greased topknot who earns a living rolling in the sand with other nearly nude wrestlers. He is the brightest star of Japan's sumo world.

"He felt muscular," swooned Hitomi Ueno, 22, an office worker who waited two hours to touch Takahanada's back. "I'm never going to wash my hand. I'm going to put a vinyl bag over it!"

Sumo is at least 2,000 years old, steeped in myth and tradition as entertainment for the gods and, until recently, considered a stodgy sport for old folks. But the emergence of Takahanada, 20, a baby-faced athlete with a relatively compact build, along with his affable brother Wakahanada, 21, has changed that image. The "Taka-Waka" duo, as they are called, has given the sport a heady shot of sex appeal, attracted legions of young female fans and set off the hottest sumo boom in memory.

"The crowd reaction to Taka-Waka is absolutely astounding," said David Benjamin, author of "The Joy of Sumo."

"They are the reason for the sumo boom. Without them, sumo would just be another pastime."

Where stadiums used to go begging for paying customers, sumo has enjoyed a string of sellout crowds going back nearly three seasons. Nonreserved tickets, once easily acquired the same day, now draw two-day waiting lines. Sporting newspapers, which used to place sumo stories on their cover only a few times during each of the six tournaments a year, now rabidly promote coverage: For the first time in its history, the tabloid Nikkan Sports made sumo its cover story all 15 days of the grand tournament in January.

A new television drama centers on a young woman who quits school to join the sumo world — selling king-sized clothing to wrestlers.

And sumo's TV audiences are steadily growing, with about 18 million viewers during the latest tournament — in November — up from 11.5 million in 1989, according to the Nippon Hoso Kyokai network.

Riding the wave of appeal, sumo souvenirs have expanded from the traditional handprints of wrestlers to an astonishing array of stuffed dolls, calendars, erasers, stationery, towels, aprons — even men's underwear — adorned with caricatures of roly-poly, pink-cheeked, topknotted athletes.

The sumo surge reflects a startling shift in popular interest. In 1988, a TV poll found sumo ranked as the public's fifth favorite sport — after high school baseball, professional baseball, the marathon and volleyball. But a similar poll in July found sumo had climbed to No. 1: It was the sport of choice for 53 percent of those surveyed.

Sumo mania is not confined to Japan. In December, the American Wrestling Association announced that it would train football players in sumo and would hold its first tournament in January in Los Angeles and other cities. In what will surely be perceived as blasphemy in Japan, the U.S. wrestlers will shun much of the sport's traditional ritual, including topknots, and wear boxing trunks and sneakers.

The 'Taka-Waka' duo, as the brothers are called, has provided a heady shot of sex appeal, attracted legions of young female fans and set off the hottest sumo boom in memory.

Japanese fans have taken to Takahanada and Wakahanada not only because of their boyish good looks but also because of their technical diligence — and a father who was also a popular wrestler.

Beyond Taka-Waka, however, the sport's boom reflects renewed interest among Japanese youth in their cultural traditions: Kabuki and Noh theater, kimonos and traditional furnishings such as tatami mats and tansu chests, said the scriptwriter Makiko Uchidate.

"Young people threw away their own culture in favor of European and American culture, but now they are beginning to appreciate their culture's own goodness," she said.

To be sure, many die-hard fans look askance at sumo's surge. To them, it is fueled by star-struck neophytes ignorant of sumo's techniques lacking appreciation for the thrill of watching two behemoths collide, engage and cleanly decide a match in a matter of seconds.

"It's a nuisance," said Yasuhiro Okubo, 23, an office worker who has avidly followed sumo for 11 years. "Because of the boom, all of these people who don't know anything are coming to tournaments, and real fans like myself can't get tickets."

And unlike real fans, the fringe rarely join support organizations to make the regular financial donations that are the lifeblood of sumo "stables," or clubs, said Mitsuaki Murakami, a former wrestler.

Murakami heads the Matsugane stable support group of 600 members, who contribute from $8 to $400 a month. All money is turned over directly to the stable master — the *oyakata* — to defray the considerable expenses involved in feeding and clothing his troops.

"There is no advantage to fly-by-night fans," Murakami said, "because sumo needs money."

But the wrestlers themselves don't seem to mind. "Having young women in the audience is better than grandmas," joked Akio Matsuda, who wrestled under the name of Wakanoumi, became an oyakata and now runs a sumo specialty restaurant.

Sumo wrestlers have always been admired for their strength — a reason that many parents ask them to hug newly born children, to transfer some of their vitality. But for many young women, the Waka-Taka phenomenon has lifted wrestlers to the status of new national heartthrobs.

Never mind that most of them are obese, tipping the scales at an average of 145 kilograms. So what if many of them have a junior high school education in a nation fanatic about college degrees? And who cares if they forgo Italian designer suits for samurai-style garb, including a kimono and a topknot?

Sumo wrestlers stand out. Just ask Rie Miyazawa, the enormously popular 19-year-old starlet who rocked Japan with a book of seminude photos last year.

In a thunderbolt announcement that sent Japan's voracious media into overdrive, she and Takahanada recently disclosed their engagement.

The betrothal, compared to the American glamour match between baseball's Joe DiMaggio and the actress Marilyn Monroe, seemed the ultimate confirmation of sumo's ascent.

"Today's young men are spineless," said Akiko Yamaura, 20, a junior-college student, as she camped out with her camera at the recent Grand Sumo Tournament in Fukuoka, a seaside city on the southern island of Kyushu.

"But you can rely on sumo wrestlers," she added. "I'd like to marry one."

Some people contend that the rigidly hierarchical and tradition-bound system does not encourage independent thinkers. But Matsuda, the former wrestler, said that self-reliance is a job requirement, since everyone is your rival, even in your own stable, and the plotting of wrestling strategies and winning techniques is a solitary task.

"You're really alone," he said. "To improve, you can only train."

For Wrestlers, a Life of Ups and Downs

After 2,000 Years, Little Change In Sumo's Spartan Apprenticeship

Los Angeles Times Service

FUKUOKA, Japan — Life for the young wrestlers, many of whom are only 15 when they join a sumo stable, is a harsh test in endurance and discipline.

Consigned to male-only communal living in simple quarters, they get up as early as 5 A.M. and, without benefit of breakfast, spend most of the morning knocking heads in severe training exercises.

In a rigid apprentice system little changed over the centuries, the junior wrestlers are virtually indentured servants. After training, while their seniors relax in the bath, they must prepare the traditional sumo meal of *chankonabe*, a one-pot dish of vegetables and meat or seafood. But they eat only after their seniors, and they eat the leftovers.

After eating, the wrestlers are required to take a nap to put on weight. In sumo lore, the wrestler Takamisugi is famous for downing 13 kilograms (29 pounds) of beef in one sitting. He stopped not because he was full, but because his jaw was tired of chewing.

The junior wrestlers also clean, sweep, do laundry and wait on their seniors — from scrubbing them in the bath to helping them dress.

Only after wrestlers advance to the higher rank of *juryo* do they begin drawing a $6,000 monthly salary. Until then they make do with a $55 allowance every two months.

But the odds of reaching juryo are 1 in 11. And only one wrestler of every 260 makes the highest rank of *yokozuna*, or grand champion, which carries a $14,500 monthly salary, national fame and an array of perks and privileges.

The harsh system, aimed in part at instilling psychological grit, is tough enough for Japanese to adapt to — 20 percent of aspirants reportedly drop out after the first year — but it can be truly harrowing for foreigners.

Troy Talaimatai, 20, wrestles under the name Ozora in the stable headed by the sumo world's only foreign-born stable master, Azumazeki, the former Jesse Kuhaulua. At the behest of his Japanese-American health teacher in Hawaii, the 180-kilogram, 1.83-meter (6-foot) Ozora chose sumo over a U.S. football scholarship three years ago, and was overwhelmed by an entirely different world.

"The first few months I was tripping out," he said after morning training at the Azumazeki stable in Kyushu. "I didn't know anything about sumo before I came, except that I was supposed to push someone out of the ring."

He soon found himself training, cooking, cleaning and washing — and treating his fellow Hawaiian and stablemate Akebono like a god simply because he had reached the rank of *ozeki*, or champion, a rung below the top.

"You got to be nuts to want to be a sumo wrestler," Ozora said, although he plans to keep trying.

There are definite rewards, competitors say. Sumo has given Naoshi Karino, 23, who wrestles as Takaminobori, the chance to travel, eat at first-class restaurants and drink at fancy bars on the tab of his stable's supporters.

And he likes the *chonmage* topknot and kimono garb.

"Give us a sword and we'd be like samurai," he said. "There are only 800 like us in all of Japan. Since I have a chonmage, everyone knows I'm a sumo wrestler. If I didn't have it, I'd just be a fatso."

— TERESA WATANABE

The Perks and the Perils at the Top: American Finds Success Mostly Sweet

The Associated Press

TOKYO — There is a downside.

Hate mail. Anonymous phone callers wishing you an early death. Swarms of people who want to touch you all the time.

And then too there are the groupies.

But as Fiamalu Penitani — one of three Americans currently dominating sumo's top ranks — sits contentedly listening to reggae music in his small room, he quickly acknowledges that being a success is far better than the alternative.

'Last week I got an invitation from the embassy to have dinner with Michael Jackson. Last year we got invited to see President Bush. So it's cool. When I go out shopping, people want to touch me all the time or get an autograph. I don't like that.'
Fiamalu Penitani, American sumo star in Japan

"Last week I got an invitation from the embassy to have dinner with Michael Jackson," he said. "Last year we got invited to see President Bush. So it's cool."

To millions of Japanese fans, Penitani, 21, is known as Musashimaru, the third-highest ranked wrestler in Japan's ancient and tradition-conscious sport.

"When I go out shopping, people want to touch me all the time or get an autograph," he said. "I don't like that."

Penitani, who stands 1.90 meters (6-foot-3) tall and weighs about 160 kilograms (350 pounds), said he also could live without the groupies that congregate outside the "stable" where he trains.

"We get a lot of them, especially when we're on tour outside of Tokyo," he said. "I've never talked to them."

Penitani's success has put him in a controversial position, particularly since the only wrestlers with higher rankings are the Americans Konishiki and Akebono — an unprecedented situation many Japanese don't feel comfortable with.

And to make the anti-foreign contingent even edgier, if Penitani scores 13 or more victories in the 15-day New Year Tournament next month, he could join his compatriots at the prestigious rank of *ozeki*, or champion.

Sumo's highest rank, grand champion, is vacant, but Akebono would be in a position for promotion to the top if he wins the upcoming tournament. He won the last tournament, in November, and two consecutive championships is one of the requirements. Some critics contend that another — dignity — could be used to keep foreigners from gaining the top rank.

"I get calls," Penitani said. "People tell me to die. Fans yell things. But it just goes in one ear and out the other. I only worry about what's inside the ring."

Playing football for Waisnae High School in Hawaii was about all Penitani had going for him when Jiichiro Date, a gold medalist wrestler at the Montreal Olympics, suggested he join the sumo world in 1988.

"I didn't want to go, because I had lived with my family all my life," he said. "My football coach said I should give it a shot because it won't come around again. I come from a family of eight kids, and my parents were out of work. I didn't have any choice."

Even so, Penitani said it took him two months to decide. But he added that once he had made up his mind, he was determined to stay with the sport until he had made his mark.

"I wasn't going to go back and be a construction worker," he said.

Penitani's rise through professional sumo was the third-fastest in the sport's history. He took only two years to reach the top division, an elite group of about 40 wrestlers.

There are 700 wrestlers in all the divisions.

"I used to have to sweep and mop the halls every day, and once a week I had kitchen duty," he said of the communal life he led as a junior. "But once you get into the higher ranks, you get to relax more. You get more free time and privileges."

Penitani still lives and trains with about 40 other wrestlers at the Musashigawa stable in a bland district of central Tokyo. He gets up at 5 every morning for a five-hour workout and observes the 10:30 P.M. curfew imposed by his *oyakata*, the stable master.

If he does well enough to earn promotion after the next tournament, he said he also would get a car and chauffeur, plus a fixed monthly salary of 1.56 million yen ($12,500), not to mention hefty prizes for each bout won.



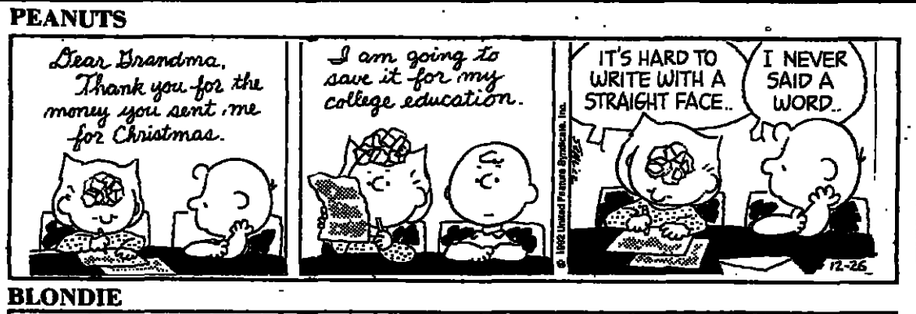
The Associated Press

The American sumo star Fiamalu Penitani, 21, in his home in Tokyo. Penitani, known as Musashimaru, is the third-highest ranked wrestler in Japan's ancient and tradition-bound sport. The only higher-ranked wrestlers are also Americans, Konishiki and Akebono.

DENNIS THE MENACE



PEANUTS



GALVIN AND HOBBES



BLONDIE



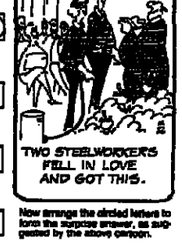
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SPORTS BASEBALL

BYU Hears Duke's Winning Refrain

Compiled by Our Staff From Dispatches

It's a phrase heard a lot, and the way things look, it will be heard a lot more: Duke wins.

The top-ranked Blue Devils have made the Final Four their home the last five years, taking the title the last two seasons. On Wednesday night in Lahaina, Hawaii, they added the Maui Invitational to the trophy cupboard back in Durham, North Carolina, with an 89-66 victory over Brigham Young.

COLLEGE BASKETBALL

The victory was the 20th in a row for Duke (7-0) and it came as most have before and most will in the future. The lead doesn't grow in leaps and bounds. The Blue Devils just keep making the plays and the lead just keeps getting bigger.

"Somebody is usually hot when we first start off and we try to get to them and we try to get to next wave, whether it be inside, outside or the transition game and then there's nights like tonight we also get it going with our defense and rebounding," said Grant Hill, who led Duke with 27 points.

Duke led 48-31 at halftime.Its biggest lead was 81-55 and the closest Brigham Young could get was 65-51 with 10:20 left on a 3-pointer by Nick Sanderson.

No. 4 Indiana 105, St. John's 80: In Bloomington, Indiana, Calbert Cheaney scored 23 points, 21 in the first half, and the Hoosiers had little trouble routing the Redmen.

Indiana's starting backcourt of Damon Bailey and Greg Graham forced the pace and St. John's couldn't keep up with the Hoosiers' up-tempo style of play.

No. 7 Seton Hall 85, Adelphi 56: In South Orange, New Jersey, Arturas Karnishovas made nine of 10 field-goal attempts and scored 20 points as the Pirates improved to 9-1. Terry Dehere added 18 points and center Luther Wright scored nine points and grabbed nine rebounds in 22 minutes for Seton Hall.

No. 9 Oklahoma 108, DePaul 94: In Lahaina, Hawaii, Bryatt Vann scored a career-high 35 points and the Sooners claimed fifth place in the Maui Invitational. The Sooners (6-1) were upset by Brigham Young in the first round before beating Chaminade in Tuesday's consolation game.

No. 10 Arkansas 101, Tulsa 87: In Pine Bluff, Arkansas, freshman Scotty Thurman scored 24 points, Robert Shepherd added 22 and Arkansas finally shook off stubborn Tulsa late in the second half to improve to 7-0.

Southern Cal 74, No. 17 Nebraska 64: In Los Angeles, Rodney Chatman came off the bench to score 16 points and Phil Glenn chipped in with 15 to lead the Trojans' upset of the Cornhuskers.

The Trojans improved to 4-2 while the Cornhuskers fell to 7-1.

Jackson St. 92, No. 24 Tulane 84: In New Orleans, guards John Taylor and Lindsey Hunter combined for 57 points as Jackson State (3-5) stunned the Green Wave (5-3). Taylor was 7-for-11 from the field, including four 3-pointers, for 29 points. Hunter added 28 points, also hitting four 3-pointers. *(AP, UPI)*

All or Nothing for Broncos and Chiefs

New York Times Service

BRONCOS (8-7) at CHIEFS (9-6)

Key stat: Broncos are 1-6 in road games but have won seven of eight from Kansas City; Chiefs Coach Marty Schottenheimer's teams are 1-9 vs. John Elway. **Comment:** The winner goes to the playoffs. The loser stays home. It's an all-or-nothing battle and Kansas City will be prepared and enjoy the boost from a vocal and anxious home crowd. The Chiefs defense fell apart against the Giants last week but look for All-Pro linebacker Derrick Thomas to lead a resurgence that vaults the Chiefs into the postseason. The Chiefs secondary will intercept Elway at least three times. The Chiefs are favored by 7½ points.

SAINTS (11-4) at JETS (4-11)

Key Stat: Saints lead the NFC in turnover differential with a plus 10; all but one Jets victory has been at home. **Comment:** New Orleans is playing for the home-field advantage in the NFC wild-card game and that provides plenty of incentive to bury the Jets. Look for the Saints defense to dominate and for the offense to produce just enough. Saints by 7½.

RAIDERS (6-9) at REDSKINS (9-6)

Key Stat: Raiders rank 24th in passing offense; Redskins allowed no sacks in last year's postseason but allowed 22 this season. **Comment:** The Raiders have the pass rush to give Washington's offense fits, but that's about it. Washington will control the game in all other areas and hope that a three-way tie between them, Philadelphia and Green Bay does not occur. If not, Washington gains the final National Conference wild-card spot.Redskins by 14.

BROWNS (7-8) at STEELERS (10-5)

Key stat: Browns, who play home games on grass, are 1-4 on artificial turf; Steelers are 9-2 on turf and have a two-game losing streak. **Comment:** Young Pittsburgh needs a good showing to boost confidence for the playoffs. Quarterback Bubby Brister must improve and the likely return of tight end Eric Green from a six-game drug suspension will work wonders for the Steelers' offense. Steelers by 6.

PACKERS (9-6) at VIKINGS (10-5)

Key stat: Packers defense has not allowed more than 14 points in any of five straight games; Vikings have three players with 10 or more sacks. **Comment:** Chris Doleman has 14 sacks and Al Noga and John Randle have 10 each. That's plenty of pressure for Packers quarterback Bret Favre, so look for him to roll right and left with a floating pocket to gain extra passing time. Vikings by 3.

COLTS (8-7) at BENGALS (5-10)

Key stat: Colts quarterbacks have not thrown a touchdown pass to a receiver since Oct. 4, a span of 11 games; Bengals Harold Green rushed for 190 yards against New England. **Comment:** The Colts can go from 1-15 last year to 9-7, a remarkable accomplishment. Their run defense, however, ranks 26th in the league and must contend with Green, a slashing, quick and powerful runner. Colts by 1½.

DOLPHINS (10-5) at PATRIOTS (2-13)

Key stat: Dolphins have beaten this division-al foe in seven straight games, including 38-17 victory in Week 7; Patriots this season have been shut out three times. **Comment:** Miami can still win the AFC East and the Patriots are easy fodder in the Dolphins' drive toward the title. New England remains hapless on both sides of the ball. Dolphins by 10½.

GIANTS (6-9) at EAGLES (10-5)

Key stat: An Eagles victory would give them an 8-0 home record and their first unbeaten season at home since 1949; Giants have lost 16 of last 19 road games. **Comment:** Speculation abounds that the Eagles could play to lose because a loss would likely mean a playoff game against Minnesota instead of New Orleans. Don't buy it. Philadelphia needs more momentum for a strong playoff run and any hopes of toppling the top two NFC teams, San Francisco and Dallas. Eagles by 8.

FALCONS (6-9) at RAMS (5-10)

Key stat: Falcons' 30 touchdown passes leads NFL; Rams have lost 15 straight to divisional opponents. **Comment:** The Falcons' defense has not produced enough big plays to matter and has been burned this season in a variety of ways. Atlanta has allowed 41 or more points in five games this season. Look for Rams quarterback Jim Everett to take his shots deep. Rams by 3.

BEARS (5-10) at COWBOYS (12-3)

Key stat: Bears can finish with their worst record since 1975 when they were 4-10; Cowboys can win 13 regular season games for the first time in club history. **Comment:** This Bears season has been dismal, featuring shoddy tackling, dropped passes and too many critical turnovers. Emmitt Smith can win his second straight rushing title and Dallas is already assured of a first-round bye in the playoffs. Cowboys by 10½.

CHARGERS (10-5) at SEAHAWKS (2-13)

Key stat: Chargers victory earns team its first divisional title since 1981; Seahawks have scored 10 or fewer points in 10 games. **Comment:** The Chargers are flying high and Seattle is stuck too low to pose any threat. San Diego has a quick, free-flowing defense and big-play personnel on offense that Seattle cannot match. A victory gives the Chargers 11 victories in their last 12 games after an 0-4 start. Chargers by 9½.

BUCS (4-11) at CARDINALS (4-11)

Key stat: Buccaneers beat Phoenix 23-7 in Week 1; Cardinals' Johnny Johnson has averaged 151 rushing yards in his last two games. **Comment:** Both teams are going nowhere but it has been an unusual season for Phoenix. It has beaten San Francisco and Washington but has lost to the also-rans. That gives Tampa Bay hope, but the Cardinals finish with a victory because of Johnson's running. Cardinals by 7.

BILLS (11-4) at OILERS (9-6)

Key stat: Bills win home-field advantage throughout the playoffs with victory; Oilers running back Lorenzo White has 1,160 rushing yards and 619 receiving yards. **Comment:** These are two of the NFL's most talented teams; both are in the playoffs and could meet again soon. Bills by 3½.

LIONS (5-10) at 49ERS (13-2)

Key stat: Lions have not won in San Francisco in 17 years; 49ers are 27th in pass defense. **Comment:** Andre Ware is 2-0 in consecutive starts and has shown the raw skills and strong arm that cause many to believe that he would flourish in another system with different coaching. Joe Montana returns, scheduled to play two quarters.49ers by 13½.

These NFL matchups were written by Thomas George of The New York Times. Odds were provided by Harrah's of Las Vegas.

NFL MATCHUPS



John Swart/The Associated Press

BULLETPROOF BULL — Bill Cartwright of the Chicago Bulls driving around the Washington Bullet's Pervis Ellison to the basket. Chicago's Michael Jordan poured in a season-high 57 points as the Bulls handed the Bullets their eighth straight National Basketball Association defeat.

McGwire To Stay With A's

Power Hitter Gets $28 Million Deal

New York Times Service

NEW YORK — Mark McGwire, the last big name among free agents, has decided to stay with the Oakland Athletics.

The power-hitting first baseman signed a five-year contract Thursday that will pay him a total of $28 million. The deal includes a signing bonus of $7 million, second only to the $9 million bonus David Cone received when he signed with the Kansas City Royals. McGwire will receive salaries of $2.6 million, $1.6 million, $5.5 million, $5.6 million and $5.7 million.

"It's pretty close to what I was looking for, so I'm very, very happy with it," McGwire said.

The package matches the total value of the deal signed earlier in the week by the outfielder Ruben Sierra, who also chose to stay in Oakland.

When the season ended, it appeared that Oakland, with 15 free agents, could be stripped of much of its talent. But the A's have now secured eight of the players who were free to accept bids from any team. In addition to McGwire and Sierra, Oakland has re-signed Terry Steinbach, Harold Baines, Ron Darling, Kelly Downs, Rich Gossage and Rick Honeycutt.

McGwire, 29, who has spent his entire career with Oakland, hit 42 home runs last season, second in the majors only to Juan Gonzalez of the Texas Rangers, who had 43.

He had led in homers for most of last season, but a muscle strain on his right ribs forced him to miss 17 games in August. McGwire finished 1992 with a .268 average and 104 RBIs after hitting .201 with 22 homers and 75 RBIs in 1991.

SIDELINES

Daly Arrested for Assault

CASTLE ROCK, Colorado (AP) — John Daly, the 1991 PGA champion, has been arrested and charged with third-degree assault after he allegedly threw his wife against a wall during an argument after he had been drinking.

Daly, 26, was arrested Wednesday and taken before a judge, where he posted $1,000 bond. According to the arrest affidavit, Daly's wife, Bettye, told the police that Daly "just lost it," while drinking at the couple's home early Sunday. The incident began when Bettye Daly, 40, asked a guest "if he could control his girlfriend as she was 'hitting on John,' " the affidavit says. Daly threw Bettye Daly against a wall, the affidavit says, and then "lost his temper and destroyed the house."

New Deal for Miami Coach

MIAMI (AP) — Dennis Erickson, coach of the Miami Hurricanes, the No. 1-ranked college football team, has signed a new seven-year contract that will take effect Jan. 1 and run through 1999.

The deal replaces Erickson's current contract, which had four years to run and paid him an estimated $375,000 a year. Financial terms of the new agreement weren't released but the Sun-Sentinel in Fort Lauderdale quoted unidentified sources as saying the total package, with incentives and radio-television income, should pay him more than $450,000 next year. The contract, which was signed Wednesday, prohibits Erickson, 45, from going to another Division I-A school as head coach.

In four seasons under Erickson, the Hurricanes are 44-3 and have won two national championships.

For the Record

AC Milan beat Sampdoria, 2-1, on Wednesday in Genoa to become the first Italian soccer team to complete a calendar year without a league defeat. *(Reuters)*

■ L.A. Gets Expos' Wallach

The infielder Tim Wallach, 35, was traded by the Montreal Expos to the Los Angeles Dodgers on Thursday in exchange for minor league shortstop Tim Barker, The Associated Press reported.

Wallach hit .223 with nine homers and 59 RBIs in 150 games with the Expos last season. He has an overall major league batting average of .259 with 204 homers and 905 RBIs.

"Obviously, I'm excited about it, to be coming back home," said Wallach, who is from nearby Huntington Beach.

Barker, 24, played for San Antonio of the Class AA Texas League the last two seasons. This past season, he hit .271 with one homer, 26 RBIs and 25 stolen bases.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct	GB
New York	16	7	.696	—
Orlando	12	9	.571	3
New Jersey	13	12	.520	4
Boston	12	13	.480	5
Philadelphia	7	15	.318	8½
Washington	7	18	.280	10
Miami	6	17	.261	10
Central Division				
Chicago	17	7	.708	—
Cleveland	15	11	.577	3
Charlotte	14	11	.560	3½
Detroit	12	11	.522	4½
Indiana	13	12	.520	4½
Atlanta	11	13	.458	6
Milwaukee	10	14	.417	7

WESTERN CONFERENCE

Midwest Division	W	L	Pct	GB
Utah	15	8	.652	—
Houston	12	9	.571	1½
San Antonio	11	11	.500	3½
Denver	7	16	.304	8
Minnesota	5	16	.238	9
Dallas	2	19	.095	11½
Pacific Division				
Phoenix	18	4	.818	—
Seattle	17	7	.708	2
Portland	15	8	.652	3½
L.A. Lakers	14	9	.609	4½
L.A. Clippers	14	10	.583	5
Golden State	12	13	.480	7½
Sacramento	8	16	.333	11

WEDNESDAY'S RESULTS

Indiana	25	34	28	27—104
Cleveland	35	26	29	28—118

Schrempf 7-15 7-7 21, Miller 9-17 2-2 22; Nance 7-11 5-5 19, Daugherty 4-7 14-16 22. Rebounds—Indiana 48 (Davis 14), Cleveland 41 (Daugherty 7). Assists—Indiana 25 (Schrempf 9), Cleveland 31 (Price 8).

Utah	34	19	25	24—92
Miami	22	24	28	28—86

K. Malone 10-21 2-3 23, J. Malone 7-11 1-2 15; Rice 5-21 0-0 10, Seikaly 6-16 4-4 16. Rebounds—Utah 56 (K.Malone 16), Miami 48 (Long 11). Assists—Utah 29 (Stockton 10), Miami 18 (Coles 6).

Houston	22	22	24	25—94
Boston	24	34	22	28—98

Olajuwon 16-31 7-7 39, Smith 5-11 1-2 12; McDaniel 7-12 0-0 14, Parish 6-7 2-4 14, Gamble 7-17 0-0 14. Rebounds—Houston 50 (Olajuwon 13), Boston 49 (Parish 11). Assists—Houston 22 (Olajuwon 5), Boston 23 (Brown 7).

Detroit	20	24	32	19— 95
Charlotte	26	28	32	29—107

Dumars 5-16 4-6 14, Thomas 12-20 1-3 25; Johnson 11-19 1-1 23, Mourning 10-18 7-7 27. Rebounds—Detroit 47 (Rodman 27), Charlotte 45 (Mourning 18). Assists—Detroit 25 (Thomas 8), Charlotte 30 (Bogues 17).

Sacramento	25	23	22	23 — 93
Minnesota	22	11	31	30 — 94

Simmons 9-17 8-11 26, Richmond 11-20 6-8 30; Loehrer 6-13 8-11 20, Person 9-19 0-2 22. West 8-19 10-12 26, M. Williams 5-14 11-11 21. Rebounds—Sacramento 50 (Simmons 10), Minnesota 54 (Loehrer, Person 11). Assists—Sacramento 19 (Webb 5), Minnesota 23 (M.Williams, Person 6).

Washington	33	26	28	19— 98
Chicago	34	21	28	24—107

Ha. Grant 8-15 4-6 20, Ellison 6-13 7-10 19; Ho. Grant 5-16 1-1 11, Jordan 22-37 7-8 57. Rebounds—Washington 52 (Gugliotta 16), Chicago 48 (Ha.Grant 16). Assists—Washington 26 (Adams 10), Chicago 32 (Jordan 10).

Phoenix	32	25	23	31—111
Denver	27	25	25	19— 96

Barkley 4-8 8-9 17, Majerle 10-13 1-1 25; R. Williams 7-14 1-2 16, Jackson 10-19 1-2 22. Rebounds—Phoenix 62 (Ceballos 11), Denver 49 (Mutombo 10). Assists—Phoenix 18 (Majerle 5), Denver 22 (Macon 5).

Dallas	28	27	22	19— 97
Golden State	25	25	26	25—101

Harper 10-23 3-6 25, White 9-13 3-6 21; Mullin 7-16 3-4 20, Hardaway 8-15 5-6 22. Rebounds—Dallas 48 (Smith 11), Golden State 61 (Hill 15). Assists—Dallas 24 (Iuzzolino 9), Golden State 28 (Hardaway 9).

Seattle	22	28	16	14—80
L.A. Lakers	28	17	17	25—87

Payton 8-15 6-8 16, Pierce 6-14 5-6 17; Worthy 7-13 2-2 16, Pooler 4-11 8-8 16. Rebounds—Seattle 43 (Case 15), Los Angeles 52 (Divac 13). Assists—Seattle 16 (McMillan 7), Los Angeles 20 (Threatt 5).

Major College Scores

EAST

Boston College 65, Coppin St. 51
Colgate 89, Canisius 77
Gettysburg 89, Lehigh 83
Maine 56, Bradley 54
Niagara 102, Valparaiso 68
Pittsburgh 87, Robert Morris 63
Rhode Island 98, Hartford 67
Seton Hall 85, Adelphi 56
Siena 69, Creighton 56
St. Peter's 81, Youngstown St. 68
Temple 70, Penn St. 61

SOUTH

Jackson St. 92, Tulane 84
Maryland 78, Towson St. 68
Middle Tenn. 77, Cleveland St. 69
SW Louisiana 71, Samford 62

MIDWEST

Butler 63, Ball St. 49
Indiana 105, St. John's 80
Missouri 66, Illinois 65
Mo.-Kansas City 115, Morehead St. 79
N. Illinois 73, Idaho St. 64
Toledo 82, Chicago St. 75
Wis.-Milwaukee 74, W. Michigan 63
Wisconsin 108, Detroit Mercy 86

SOUTHWEST

Arkansas 101, Tulsa 87
Southern Meth. 116, North Texas 94

FAR WEST

Cal St.-Fullerton 92, Chapman 71
Fresno St. 73, San Francisco 67
Gonzaga 71, E. Washington 58
Idaho 84, Seattle 41
Long Beach St. 95, Howard U. 62
Minnesota 87, Santa Clara 63
Montana St. 72, Sacramento St. 53
Nevada 78, Loyola Marymount 65
New Mexico 71, New Mexico St. 66
Pepperdine 81, George Washington 79
San Diego 78, Cal St.-Hayward 54
Southern Cal 74, Nebraska 64
Washington 76, BYU-Hawaii 48

Maui Invitational Tournament

Final

Duke 89, Brigham Young 66

Third Place

Memphis St. 78, LSU 66

Fifth Place

Oklahoma 108, DePaul 94

Seventh Place

Chaminade 71, Stanford 68, 2OT

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
Pittsburgh	25	9	3	53	178	129
Washington	19	16	2	40	146	131
N.Y. Rangers	18	13	4	40	145	122
New Jersey	17	15	1	35	110	111
N.Y. Islanders	15	16	4	34	142	135
Philadelphia	11	18	4	26	118	139
Adams Division						
Montreal	21	12	4	46	152	122
Boston	20	11	2	42	130	115
Quebec	18	12	6	42	158	142
Buffalo	15	14	6	36	152	124
Hartford	11	20	3	25	107	147
Ottawa	3	31	3	9	80	171

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Chicago	20	12	4	44	122	97
Detroit	18	16	3	39	153	136
Minnesota	17	12	5	39	115	108
Toronto	13	15	5	31	106	112
Tampa Bay	14	22	2	30	129	141
St. Louis	11	18	5	27	117	135
Smythe Division						
Calgary	22	10	4	48	141	110
Los Angeles	20	11	4	44	157	129
Vancouver	20	10	3	43	153	102
Edmonton	13	18	5	31	102	140
Winnipeg	12	18	3	27	112	132
San Jose	5	29	1	11	102	179

WEDNESDAY'S RESULTS

Washington	0	1	0—1
Buffalo	0	3	1—4

Iafrate (13); Mosimy (28) 3, Audette (3). Shots on goal—Washington (on Hasek) 6-17-16—33. Buffalo (on Beaupre) 12-11-8—31.

New Jersey	1	3	0	1—5
N.Y. Rangers	3	1	0	0—4

Stastny (8), Stevens (8), Holik (12), Richer (13) 2; Graves (14), Namchinov (12), Lowe (1), Namchinov (13). Shots on goal—New Jersey (on Vanbiesbrouck) 16-14-14-3—47. New York (on Bilbinton) 7-13-8-0—28.

Pittsburgh	2	2	0—4
Philadelphia	0	0	0—0

Stevens (27), Lemieux (36) 2, McEachern (18). Shots on goal—Pittsburgh (on Soderstrom) 12-10-4—26. Philadelphia (on Barrasso) 5-6-9—20.

Chicago	1	2	1—4
Ottawa	1	0	1—2

Larmer (20) 3, Chelios (8); Brady (6), Lazaro (4). Shots on goal—Chicago (on Sidorkiewicz) 8-15-2—25. Ottawa (on Belfour) 12-6-7—25.

N.Y. Islanders	2	2	2—6
Montreal	1	1	0—2

King (20), Turgeon (21), Krupp (4), Hague (14) 2, Mullen (8); Desjardins (8), Dampbousse (18). Shots on goal—New York (on Ray, Racicot) 9-13-6—28. Montreal (on Healy) 8-8-11—27.

Tampa Bay	1	0	0—1
Hartford	0	3	0—3

Chambers (3); Sanderson (16), Poulin (11) 2. Shots on goal—Tampa Bay (on Burke) 12-3-5—20. Hartford (on Jablonski) 8-9-5—22.

Calgary	2	1	1—4
Winnipeg	2	1	0—3

Harkins (1), Roberts (21), Ranheim (7), Makarov (13); Davydov (16), Zhamnov (6), Boutin (2). Shots on goal—Calgary (on Essensa) 14-11-8—33. Winnipeg (on Vernon) 7-20-9—36.

San Jose	0	0	2—2
Edmonton	2	1	0—4

Goudreau (12) 2; Mellanby (11) 2, Klima (17) 2. Shots on goal—San Jose (on Ranford) 6-10-28—36. Edmonton (on Hackett) 13-6-13—32.

TRANSACTIONS

BASEBALL

American League

SEATTLE—Signed Mackey Sasser, catcher, to two-year contract.

BASKETBALL

National Basketball Association

NBA—Fined Detroit's Bill Laimbeer $6,500, and Alonzo Mourning of Charlotte $5,000, for their parts in an altercation during game between Pistons and Hornets on Dec. 23. Fined Sidney Green and Johnny Newman of Hornets and Mark Randall of Pistons $500 each for leaving the bench during the altercation.

ATLANTA—Put Dominique Wilkins, forward, on injured list. Signed Steve Henson, guard.

BOSTON—Signed John Bagley, guard.

GOLDEN STATE—Activated Sarunas Marciulionis, guard, from injured list. Put Alton Lister, center, on injured list.

PHILADELPHIA—Activated Kenny Payne, forward, from injured list.

FOOTBALL

National Football League

ATLANTA—Signed Mel Agee, defensive lineman. Put Tony Smith, running back, and Tony Jones, wide receiver, on injured reserve.

INDIANAPOLIS—Waived Tom Rickets, guard. Signed Joe Staysniak, offensive lineman.

PHILADELPHIA—Signed Tom Gerhard, defensive back.

NEW YORK JETS—Put Jeff Criswell, tackle, on injured reserve. Activated Matt Willis, tackle, from practice squad. Signed Sheldon Canley, running back.

LOS ANGELES—Put Bruce Wilkerson, offensive tackle, on injured reserve list and activated Steve Wright, offensive tackle, from list.

HOCKEY

National Hockey League

MONTREAL—Recalled Gilbert Dionne, forward, from Fredericton, AHL. Sent Patric Kleibere and Patrik Carnback, forwards, to Fredericton.

NEW JERSEY—Recalled Jim Dowd, center, from Utica, AHL.

ST. LOUIS—Recalled Jason Ruff, left wing, from Peoria, IHL.

COLLEGE

ABILENE CHRISTIAN—Named Ted Sitton offensive coordinator effective Jan. 1.

ARKANSAS-PINE BLUFF—Named Lee Hardmon football coach.

BLOOMSBURG—Named Danny Hale football coach.

CLEMSON—Named Bobby Johnson defensive coordinator.

EASTERN CONNECTICUT STATE—Named Patricia Sneider men's and women's outdoor track and field coach.

FORDHAM—Women's soccer will become intercollegiate varsity sport in fall of 1993.

FURMAN—Promoted Steve Wilson, assistant football coach, to defensive coordinator.

INDIANA—Named Joe Kelley women's soccer coach.

LOUISIANA STATE—Named Nell Calloway offensive line coach. Fired George Haffner and Thielen Smith, coaches.

MIAMI—Signed Dennis Erickson, football coach, to a seven-year contract through 1999.

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Week 17 Games

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New Orleans	7 1/2	NY JETS
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LA RAMS	2	Atlanta
DALLAS	11	Chicago
PITTSBURGH	6	Cleveland
KANSAS	7	Denver
MINNESOTA	3	Green Bay
Indianapolis	1 1/2	CINCINNATI
Miami	10	NEW ENGLAND
PHILADELPHIA	8 1/2	NY Giants
San Diego	9 1/2	SEATTLE
PHOENIX	7	Tampa Bay
Buffalo	3 1/2	HOUSTON
Monday 28/12		
SAN FRANCISCO	13	Detroit

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A MERRY CHRISTMAS & A PROSPEROUS 1993 FROM S.S.P.

DAVE BARRY

Diary of a Fun Year

JANUARY

1 — George Bush, while practicing the Secret Handshake of the Six or Seven Top World Leaders club, glances out the Oval Office window and notices that the darned U. S. economy is STILL in trouble. He vows to write a stern note to his economic advisers, Wayne and Garth. Bill Clinton, a virtual unknown on the national scene, arrives in New Hampshire with enough hair spray to immobilize the Brazilian rain forest.

FEBRUARY

11 — Bill Clinton's character comes under scrutiny when the news media obtain a 1969 photograph showing him reporting for a draft physical wearing a dress.

20 — Ross Perot announces that if his supporters put him on the ballot in all 50 states, he will have them investigated.

MARCH

11 — In the trial of accused Mafia kingpin John Gotti, the judge considers a defense motion to declare a mistrial because "The air seems to be running a little low inside the 55-gallon drum where we are keeping your honor's mother."

APRIL

9 — Great Britain elects an entire new government following a campaign that took less time, total, than U. S. politicians will need, later in the year, to agree on a debate format.

17 — Downtown Chicago is paralyzed for what will turn out to be several days by a massive, multimillion-dollar flood. The cause of which is ultimately traced to the home of Arnold Spooterman, whose last words, according to his wife, were "We don't need a plumber. I'll just tighten this . . ."

MAY

21 — In what will later be viewed as a mistake, the crack Middle East Peace Negotiating Team is sent into what used to be Yugoslavia.

JUNE

3 — Clinton, seeking to improve his image among young voters, goes on "The Arsenio Hall Show" and, after donning a pair of dark sunglasses, smokes a joint.

10 — Scientists detect a large new hole in the ozone layer, believed to be caused by fumes from flaming desserts served at the Earth Summit.

17 — Seeking to boost the sagging U. S. humor industry, Vice President Quayle gives a spelling lesson.

JULY

7 — A freak tidal wave hits Daytona Beach, Florida. Scientists are baffled until satellite photos detect Ted Kennedy breast-stroking about three miles offshore.

17 — Clinton begins his speech accepting the Democratic nomination.

19 — Clinton concludes his speech and sets out on a bus tour of the Heartland with Al Gore, whose body is unable to bend enough to fit in the bus seats, so his aides just stick him up on the luggage rack, still in a waving position.

AUGUST

20 — General Motors announces that, in an effort to cut costs, it will stop making cars.

21 — Delegates to the Republican Convention reaffirm their support for Traditional Family Values by burning a suspected witch.

SEPTEMBER

25 — In a landmark ruling, an Orlando, Florida, judge declares that a 12-year-old boy has the right to select his own parents. He selects Marge and Homer Simpson.

OCTOBER

19 — Clinton promises to increase spending on the cities, suburbs, farms, wilderness, ozone layer and asteroid belt, while at the same time eliminating waste and heart disease.

NOVEMBER

3 — Clinton wins and announces that he may not be able to fulfill all of his campaign promises IMMEDIATELY.

26 — Superman dies, probably as a result of wearing the same underwear for 50 years.

DECEMBER

1 — What begins as a friendly transitional get-together between the Bushes and Clintons ends in tragedy when Millie ralphs up what is later identified as Socks the cat.

31 — Bands of white men in dark suits are converging on New Hampshire to prepare for the 1996 presidential campaign, which starts next week. Until then, have a Happy New Year.

Knight-Ridder Newspapers

In a Hague Troupe, Dancing On After 40

By John Rockwell
New York Times Service

THE HAGUE — Professional dance can be cruel. In the Western world, at least, it is the province of youth, of young bodies that can be molded by choreographers and accomplish breathtaking physical feats.

After a certain age — conventionally, 40 — a dancer accustomed to a glamorous life and applause and world travel suddenly finds himself or herself on the professional scrap heap. In a big ballet company, there are always character parts. There are ballet-master and teaching jobs. A choreographer in the modern-dance tradition can continue performing, incongruously surrounded by a seemingly unchanging cadre of youthful dancers; one thinks of Martha Graham or Merce Cunningham.

But most aging dancers are forced to fade into private life. And outside the civil-servant status enjoyed by members of state-supported companies in Europe, they often have few resources to support themselves in their enforced early retirements. The shock can be devastating. It can also be a waste of still-talented performers with much to discover and much to give.

For all those reasons, the Czechoslovak-born Jiri Kylian, who has run the Nederlands Dans Theater here for 17 years, decided last year to start a chamber company for dancers over 40. Called Nederlands Dans Theater 3 (the main company is Dans Theater 1 and the junior company is 2), it has attracted important dancers and choreographers and, even without direct government support, has proven a big hit with the critics and public — not only in the Netherlands but all over Europe. There is an active European touring schedule from January through May.

"If you are the artistic director of a dance company for a substantial number of years, you are confronted with the painful moment when for one reason or another a dancer has to leave," Kylian said in an interview. "This can mark them in a quite terrible way.

"I am 45 myself, and I know what it means to be around this time of life and how difficult it can be. This company is a gesture toward the dancers. It tells them they don't have to give up, that there are ways of physical expression, endless possibilities that can go on until you die."

The troupe is not meant to provide guaranteed employment for dancers from their early teens until old age. There are 32 dancers in the main company, and at present only four in Dans Theater 3. Furthermore, those 4 (or 5 or 6, depending on repertory) shift continually. There are two programs per season, each requiring a commitment of about five months of rehearsal and about 40 performances. The idea is that dancers who have learned one program occasionally reunite for revivals after the initial five-month period.



Nederlands Dans Theater

During Maguy Marin dance, from left, Sabine Kupferberg, Gérard Lemaître and Niklas Ek.

The current program was unveiled on Nov. 26 in the Hague and will play through Jan. 15, with additional tour dates. The dancers are Sabine Kupferberg and Gerard Lemaître, both longtime Dans Theater stalwarts; Niklas Ek, a veteran of the Cullberg Ballet, the Ballet of the 20th Century and the Royal Ballet of Sweden, and Martine van Hamel, well known to New York audiences for her years with American Ballet Theater. Lemaître serves as company director.

The program, seen recently at the Nederlands Dans Theater's spiffy home, consists of new works by Maguy Marin of France, Ohad Naharin of Israel and Kylian.

There was to have been a fourth new work, by Maurice Béjart for his longtime star Jorge Dunn. But Dunn died this fall and Kylian said Béjart was too distraught for now to work with the company without him. In place of the Béjart work came a revival of a dance done last year for the company by Mats Ek, Niklas's brother.

Anyone expecting an evening that eased off on aging bodies and stressed upper-body subtleties and the gravity of maturity would have been disconcerted. Instead, the large and enthusiastic audience saw works that capitalized on the dancers' theatrical skills and strong personalities but that also were full of wit and life.

Marin's "Made in France," for the full company, blended droll humor and sexy interplay, and Naharin's "Off White" for Ek and Kupferberg was similarly funny and sensual. Kylian's "No Sleep Till Dawn of Day" was a more somber study, with parallel solos by Van Hamel and Kupferberg, while Mats Ek's "Journey," for the foursome, was focused on the boyishness of his 49-year-old brother.

None of the dancers thought of the company as a rest home for dancers in steep decline. "We are all strong individuals, and still really physical," Kupferberg said.

Kylian and the dancers said that all the choreographers who were approached have been eager to work with the company, despite extremely low fees (Dans Theater 3 must get by on box-office receipts, although of course many umbrella costs are covered by the main company, which is 60 percent supported by the Dutch state and 40 percent by the city of The Hague).

The choreographers work differently with these older dancers than with the younger dancers they are used to. Although the current program proves that Kupferberg's claim of continued physicality is no boast, the choreographers work carefully with them to bring out their strengths, instead of demanding that they fulfill a pre-existing vision .

"A person like Martine van Hamel has worked with 40 or 50 or 60 choreographers in her life," Kylian said. "Can you imagine what an accumulation of experience that is?"

As if to stress the intense personal bonds between choreographers and mature dancers, last season's inaugural program deliberately underscored such links. "Four choreographers made works on people who represented a special part of their lives," said Kylian, who is married to Kupferberg. "Mats Ek did a piece for his brother, I did one for my wife, William Forsythe did one for his ex-wife and Hans van Manen did one for his ex-boyfriend."

Choreographers for coming seasons include Béjart, Martha Clarke, Jennifer Muller, Carolyn Carlson and Lar Lubovitch. Gary Chryst, the Joffrey Ballet veteran, is to join the company soon.

PEOPLE

Hoffa's Son Says Film Misses Pop's Brilliance

Jimmy Hoffa's only son says Jack Nicholson gets down some of his father's essence, but he doesn't like the new $40 million film about the Teamsters Union boss — presumed dead since 1975 and possibly compacted into a automobile and buried secretly. The film probes Hoffa's ties with organized crime, a relationship that may have led to his disappearance. "It was not exactly what I thought it would be," said **James P. Hoffa**, 51, a labor lawyer in Detroit. "My father was a very brilliant, charismatic man. I didn't see that as clearly as I thought I would."

□

Mia Farrow took greeting cards off packages **Woody Allen** sent to his son for his birthday and from Christmas packages he sent to his two adopted children. Allen's spokeswoman said. "Miss Farrow didn't want the children to read the notes embellished with sketches and doodles that Mr. Allen sent them taped to the packages, so she stripped them off," said his spokeswoman, **Leslee Dart**. "It's pathetic and very sad that she should be depriving the children of greetings from their father on Satchel's birthday and for the holiday." Satchel, Allen's biological son with Farrow, turned 5 last Saturday. The other children are a daughter, **Dylan**, 7, and **Moses**, 14. Allen and the actress, lovers for 13 years, are locked in a nasty custody battle over the children.

□

Tom Cruise and **Nicole Kidman** have canceled plans to adopt a baby in Palm Beach County, Florida, according to court documents, and have demanded an investigation into how their adoption petition became public.

□

Nightcaps, a defunct Dallas band, has sued the **ZZ Top** rock group for $49 million, accusing it of stealing its song titled "Thunderbird." Nightcaps charged in U.S. District Court at Dallas that it wrote the song, which glorifies cheap wine.

INTERNATIONAL CLASSIFIED
Appears on Page 5

WEATHER

Forecast for Sunday through Tuesday



Europe

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Algarve	13/55	8/46	sh	14/57	7/44	s
Amsterdam	6/43	0/32	s	4/39	-1/31	s
Ankara	-2/29	-11/13	pc	-4/25	-13/9	pc
Athens	11/52	6/43	pc	10/50	5/41	sh
Barcelona	9/48	4/39	r	9/48	2/35	c
Belgrade	2/35	-3/27	pc	1/34	-4/25	sf
Berlin	0/32	-5/24	pc	2/35	-2/29	sf
Brussels	6/43	0/32	c	4/39	0/32	pc
Budapest	1/34	-3/27	pc	1/34	-3/27	c
Copenhagen	3/37	-2/29	c	3/37	-1/31	sf
Costa Del Sol	16/61	9/48	c	15/59	7/44	pc
Dublin	8/46	2/35	c	6/43	-1/31	s
Edinburgh	7/44	1/34	pc	5/41	-2/29	s
Florence	11/52	4/39	sh	9/48	4/39	r
Frankfurt	4/39	0/32	pc	4/39	-1/31	pc
Geneva	4/39	-1/31	c	4/39	0/32	c
Helsinki	2/35	-4/25	sf	-2/29	-9/16	pc
Istanbul	5/41	-1/31	pc	4/39	-2/29	sh
Las Palmas	18/64	13/55	pc	19/66	12/53	s
Lisbon	13/55	8/46	pc	14/57	6/43	s
London	6/43	1/34	c	5/41	-1/31	pc
Madrid	10/50	2/35	pc	9/48	0/32	pc
Milan	7/44	1/34	sh	5/41	2/35	c
Moscow	-1/31	-4/25	sf	-3/27	-11/13	sf
Munich	2/35	-3/27	pc	4/39	-1/31	c
Nice	11/52	6/43	r	11/52	6/43	sh
Oslo	2/35	-1/31	sf	0/32	-6/22	pc
Palma	8/48	6/43	r	9/48	3/37	c
Paris	6/43	2/35	c	6/43	1/34	pc
Prague	3/37	-2/29	pc	3/37	0/32	sf
Reykjavik	5/43	-4/25	pc	1/34	-2/29	sn
Rome	10/50	7/44	sh	10/50	6/43	sh
St. Petersburg	1/34	-4/25	sf	-4/25	-13/9	pc
Stockholm	1/34	-3/27	sf	-2/29	-8/18	c
Strasbourg	8/43	2/35	c	4/39	1/34	pc
Tallinn	2/35	-3/27	sf	-2/29	-8/18	pc
Venice	7/44	-1/31	c	6/43	1/34	c
Vienna	1/34	-6/22	pc	3/35	-1/31	sf
Warsaw	0/32	-4/25	pc	1/34	-6/22	sf
Zurich	3/37	-2/29	c	2/35	-2/29	c

Oceania

Auckland	22/71	12/53	pc	21/70	11/52	pc
Sydney	27/80	18/64	pc	28/82	17/62	pc

Asia

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Bangkok	27/80	21/70	pc	29/84	21/70	pc
Beijing	4/39	-3/27	s	5/41	-1/31	s
Hong Kong	19/66	13/55	sh	21/70	12/53	pc
Manila	31/88	25/77	s	32/89	25/77	pc
New Delhi	24/75	8/46	pc	24/75	8/46	s
Seoul	4/39	-4/25	pc	7/44	-3/27	pc
Shanghai	10/50	3/37	pc	8/46	3/37	pc
Singapore	28/82	22/71	sh	29/84	21/70	pc
Taipei	19/66	12/53	pc	18/64	13/55	pc
Tokyo	11/52	6/43	pc	12/53	3/37	pc

Africa

Algiers	19/66	8/46	pc	21/70	9/48	s
Cape Town	23/73	14/57	pc	24/75	16/61	pc
Casablanca	19/66	13/55	pc	18/64	12/53	pc
Harare	29/84	18/64	pc	31/88	17/62	pc
Lagos	28/82	24/75	pc	31/88	23/73	s
Nairobi	23/73	13/55	pc	24/75	12/53	pc
Tunis	19/66	8/46	pc	18/64	7/44	pc

North America

Anchorage	-12/11	-22/-7	s	-12/11	-23/-9	s
Atlanta	7/44	-1/31	s	8/46	2/35	s
Boston	-1/31	-11/13	pc	-5/22	-8/18	pc
Chicago	-7/20	-8/18	pc	-3/27	-10/16	pc
Denver	13/55	-4/25	s	8/46	-5/18	pc
Detroit	-7/20	-11/13	sf	-3/27	-4/25	pc
Honolulu	28/82	20/68	pc	29/84	20/68	pc
Houston	10/50	6/43	c	17/62	11/52	c
Los Angeles	22/71	9/48	s	18/64	9/48	s
Miami	26/79	18/64	sh	24/75	19/66	c
Minneapolis	-10/15	-12/11	pc	-4/25	-16/4	pc
Montreal	-8/18	-19/-2	sf	-12/11	-22/-7	pc
Nassau	25/77	16/61	pc	26/79	17/62	pc
New York	-1/31	-7/20	pc	-5/24	-9/22	s
Phoenix	20/68	7/44	s	19/66	7/44	s
San Fran.	12/53	4/39	s	13/55	6/43	pc
Seattle	7/44	4/39	sh	6/43	2/35	r
Toronto	-7/20	-14/7	sf	-8/18	-13/9	pc
Washington	3/37	-6/22	pc	-1/31	-4/25	s

Middle East

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Beirut	16/61	11/52	pc	16/61	10/50	pc
Cairo	18/61	10/50	pc	17/62	10/50	pc
Damascus	12/53	5/41	pc	14/57	6/43	pc
Jerusalem	10/50	4/39	pc	11/52	6/43	pc
Riyadh	21/70	9/48	pc	20/68	8/46	pc

Latin America

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Buenos Aires	32/89	22/71	pc	32/89	22/71	pc
Caracas	28/82	17/62	pc	29/84	18/64	pc
Lima	26/79	17/62	pc	24/75	16/61	pc
Mexico City	22/71	10/50	s	23/73	11/52	s
Rio de Janeiro	31/88	24/75	pc	31/88	23/73	pc
Santiago	27/80	10/50	pc	26/79	11/52	pc

Europe: Forecast for Sunday through Tuesday

North America
Another blast of arctic air will chill Chicago Sunday through Tuesday with temperatures remaining below freezing. This frosty air mass will arrive in Washington, D.C., and New York City Tuesday. A cold rain will douse Vancouver and Seattle the entire three-day period.

Europe
Tranquil weather will stretch from London to Berlin and Warsaw Sunday through Tuesday. Storms will be focused in southern Europe with snowy weather across Turkey. A powerful storm will develop in the central Mediterranean Tuesday with wind-whipped rain in Greece and southern Italy.

Asia
Dry, cool weather will continue in Tokyo Sunday through Tuesday. After a spell of chilly weather, Hong Kong will turn milder, but remain dry. Warm and humid conditions with spotty showers and thunderstorms will occur in Singapore. Manila will be very warm and dry.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1992

Logogriphs By Ernst Theimer

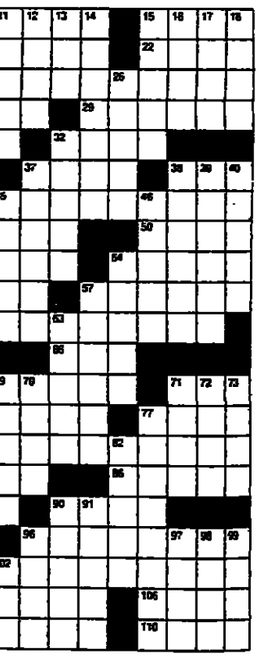
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ACROSS

1 "... care'll kill ——": Jonson
5 Traveler
10 Petruchio, for one
15 Break
19 Singer Vikki from El Paso
20 Philippine fetish
21 "—— Lucy"
22 Residence
23 Engine cooler
27 23 & 41 Across; 78 & 100 Across; 58 Across and its clue
28 Excessive
29 Most curious
30 Like the fairy-tale duckling
31 Resource
32 Sole
33 Name
36 "Vissi d'——," Puccini aria
37 Lose color
38 Indian sheep
41 Why 23 Across needed repair
47 Magnifier
48 Antipodean soldier
49 Car part
50 Grandma Moses
51 Have a bawl
52 Log
53 Ground hominy
54 Male deer
55 Panay native
56 Rent
57 Makes amends
58 Smart curing utensils
64 Hummeling machines
65 Eats
66 Catfish or Cannery
67 Twin crystal
68 Ospreys' kin
69 Mopsus and Calchas
71 Set
74 Gudrun's husband
75 Latvian seaport
76 Sri Lankan aborigine
77 Eden discard
78 An 1849 event
83 Double curve
84 Religious faction
85 Bedfellow
86 External
87 Exclamations of triumph
88 Fashions
90 Dray
92 Short sock
95 Shiny fabric
96 Cement component
100 Sour-grapes comment on 78 Across
103 Get one's goat
104 Middle East ruler
105 Hiatus
106 "—— kleine Nachtmusik"
107 Algerian port
108 Slender
109 Las Vegas natural
110 Rigel or Betelgeuse

DOWN

1 Recorded proceedings
2 Famed lyrist
3 Sector
4 Chevrotains' genus
5 Deadly
6 Rootlessness
7 Edges
8 W.W. II sphere of action
9 Vigorous
10 Diacritical mark
11 Alaskan islander
12 Oliver Twist's entreaty
13 Señora Perón
14 Calif. beach
15 Disreputable
16 Observe
17 Alvin Childress's TV role
18 Jaunty
24 Prodding person
25 Atlas feature
26 Flâneur
31 In back
32 Popish Plot fabricator
33 Steatite
34 Brain passage
35 Theater award
36 Wood-trimming tool
37 Weaken
38 Voiced
39 Depends
40 "Then hey for ———...": Burns
42 Devout insect?
43 Dido
44 Pester
45 Are
46 Majorette's wand
52 Tidal bore
53 Heredity factors
54 Frets
56 Straight
57 Ethically neutral
58 Mower paths
59 Sam and Tom
60 Keepsake
61 Purposeless
62 Special vocabulary
63 Skin irritation
64 Timber tree of Central America
68 Several Danish kings
69 Barking circus performers
70 Tense
71 Style; taste: Fr.
72 Gaelic
73 Annealing oven
76 Contemptibility
77 Supports of sorts
79 Sackcloth's partner
80 Pendulous part of a dog's ear
81 Lowest point
82 Kind of column
87 George or Gracie
88 Won at chess
89 Sea lion, e.g.
90 Mythical siren
91 E.T. or Alf
92 Kind of hairdo
93 Roulette bet
94 Often-chewed nut
95 Ko-Ko's weapon
96 Croat or Bulgar
97 This may lead to lead
98 Actress Louise from N.Y.
99 Elbe tributary
101 Japanese apricot
102 Mimic



Solution to Puzzle of Dec. 19-20

P	E	N	■	B	L	U	E	■	A	S	A	S	■	■	E	V	E	■	■	■
A	L	E	■	L	U	N	G	I	■	T	R	E	E	■	S	C	R	A	P	■
P	A	X	■	A	L	C	A	R	■	C	E	C	I	L	■	H	O	U	S	E
A	N	T	E	I	L	L	■	C	R	A	Y	A	T	S	■	E	M	O	T	E
■	■	■	O	S	E	E	■	G	A	R	E	D	■	A	F	E	E	■	■	■
C	L	A	W	E	D	■	L	I	N	T	O	R	E	D	■	I	N	E	T	A
O	A	S	T	■	A	R	I	E	L	■	B	U	T	A	B	A	G	A	■	■
R	U	T	H	■	A	R	I	E	L	■	S	T	I	N	T	■	U	R	I	S
E	R	I	E	■	D	I	S	C	■	B	O	B	E	A	■	S	T	A	L	E
D	A	N	G	L	E	S	■	T	I	L	L	E	D	■	R	O	S	E	S	■
■	■	■	B	I	P	E	■	I	B	E	A	L	■	E	T	O	N	■	■	■
S	Q	U	I	N	T	■	S	C	L	E	R	O	■	E	I	S	C	A	S	T
R	A	B	B	I	T	■	G	L	U	E	D	■	R	Y	P	D	■	E	T	T	E
E	T	I	C	■	F	E	A	T	S	■	A	G	A	T	E	■	A	S	I	A
M	A	R	R	O	L	E	S	■	O	F	■	I	V	Y	■	Y	E	L	L	■
P	R	E	S	T	O	■	H	O	T	R	O	D	S	■	S	E	A	L	S	■
■	■	■	T	E	D	A	■	C	A	P	R	I	■	A	G	R	A	■	■	■
P	A	R	O	L	E	■	S	E	E	G	N	E	R	■	S	O	I	R	E	E	S
A	D	O	L	L	■	G	A	L	O	N	■	V	O	T	O	N	■	V	I	E
C	A	N	E	O	■	D	R	O	N	E	■	E	L	I	S	E	■	E	R	R
T	H	E	I	■	■	S	T	A	Y	■	B	A	R	E	R	■	N	E	T	■

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BOOKS

AMERICAN POPULISM: A Social History, 1877-1898

By Robert C. McMath Jr. 245 pages. $30. Hill and Wang.

Reviewed by Jonathan Yardley

IN the language of American politics scarcely any word has been more routinely abused and misused than "populism." Though the offenders occasionally are politicians themselves, more often they are journalists and other commentators who, having studied their history half-heartedly or not at all, assume that because "populism" derives from *populus*, Latin for "people," it refers to any candidate or broad political movement that seeks to arouse popular sentiment in an empathetic or demagogic way.

But it doesn't: Populism was a short-lived if disproportionately influential movement that grew out of specific grievances in specific places and sought specific remedies for them. It was, for its time, radical both in these proposals — a graduated income tax, public ownership of railroads, popular election of U. S. senators — and in its broad insistence upon what Robert McMath calls "the simple idea that the producer deserves the fruits of his or her work."

Given that populism is so widely misunderstood, it is useful to have McMath's careful, intelligent analysis of the phenomenon; his book is timely as well, since we have just been through another round of ersatz "populism" in the press, the beneficiary this time being Ross Perot, who is in fact approximately as "populist" as John D. Rockefeller. In the circumstances, "American populism" should be required reading for anyone whose interest in politics does not include an accurate understanding of its history.

Populism burst onto the American scene in the early 1890s. In essence it was a farmers' movement, arising from "many separate islands of protest scattered across the South and West."

The grievances of those who were attracted to the movement varied in particulars from area to area, but they boiled down to hatred and fear of the monopolistic trusts of the Northeast and to a belief in what was called "producerism" — the notion that work and its fruits belonged to workers, not to middlemen or creditors or lenders or others who, in the view of these farmers, earned their profits off the sweat of laborers. As McMath puts it: "The story of western farmer mobilization is a story of men and women who had knowingly entered the world of commercial agriculture with hopes of making a life, as well as a living, for themselves and their children. Now they, like their southern counterparts, found themselves buffeted by forces beyond their control and their dreams turned to nightmares."

McMath tells populism's brief but interesting story succinctly and well. He places populism "within the context of rural social history," in so doing helping us understand not merely why it came into being but why it was fated to be a regional phenomenon of short, if intense, existence.

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